* DOCUMENT RESUME

ED 427 242 CE 078 172

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TITLE A Slight Breathing Space. A Guide to Working with Micro and Small to Medium Business Enterprises for Adult Educators and the VET Sector.
INSTITUTION Western Sydney Univ., Nepean (Australia).
SPONS AGENCY Australian National Training Authority, Brisbane.
ISBN ISBN-1-86431-492-4
PUB DATE 1997-00-00
NOTE 106p.
PUB TYPE Guides - Non-Classroom (055)
EDRS PRICE MF01/PC05 Plus Postage.
DESCRIPTORS *Adult Education; Adult Educators; Competency Based Education; Foreign Countries; Guides; *Inplant Programs; Job Skills; *Job Training; Literacy Education; *Small Businesses; Staff Development; *Vocational Education; *Workplace Literacy
IDENTIFIERS *Australia; Microenterprises

ABSTRACT

This guide is designed to orient vocational education and training (VET) providers and adult educators to one approach to work-based learning in small business training and development used in Australia. Chapter 1, "About this Guide" (Merilyn Childs), provides an overview of the key players and conceptual frameworks involved in the small business work-based research project in the Greater Western Sydney region (1996-97) whose approach is detailed here. Chapter 2, "What Is Meant by 'Small Business'?" (Merilyn Childs, Margot MacManus, Jenny McGee), provides an overview of the term "small business," drawing on statistical and research data from within and outside the VET sector. Chapter 3, "Learning Partnerships with Small Business" (Merilyn Childs et al.) provides an overview of the key assumptions, principles, issues, and strategies that could be adopted and used by a VET provider who wanted to become a small business VET provider. Chapter 4, "Micro and Small Business Enterprises and the Key Competencies" (Merilyn Childs), asks questions about the Mayer Key Competencies, drawing on Field and Mawer's (1996) interpretation of them within high performing enterprises as a basis for articulating the important differences between small and large business work-based learning. Attachments, amounting to approximately 40 percent of the guide, include profile information about the 10 small businesses involved in the research project and vignettes of work-based learning; professional development overhead transparency masters; and 75 references. (YLB)

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A SLIGHT BREATHING SPACE

A guide to working with micro and small to medium business enterprises for adult educators and the VET sector.

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A SLIGHT BREATHING SPACE

A guide to working with micro and small to medium business enterprises for adult educators and the VET sector.

Edited by Merilyn Childs

An ANTA Project funded by the Department of Employment, Education, Training and Youth Affairs.

Acknowledgments

This project would not have been possible without the participating business owner managers who were willing to see where the collaboration would take them. We thank them for their enthusiasm, time, cooperation, openness, insights and experience which allowed the project to take place. Hopefully their generous and insightful contributions are reflected in this guide.

Special thanks to Celeste Hough whose feedback, patience and willingness to discuss small business with the project officers contributed greatly to their understanding of issues involved and their appreciation of how diverse a group the small business community is.

We also wish to thank:

Ian Palmer, Executive Director of the Penrith and Districts Chamber of Commerce Industry Inc. for his time and valuable contributions throughout the project;

Karunasena Suriyabandara from the School of Health and Social Ecology, University of Western Sydney, Hawkesbury, for sharing his community development principles and experiences of working with the Cambodian Farmers Growers' Association;

Dr Regine Wagner and Maxine Puttick, for their team support, insight and analysis, ongoing professionalism and patience in the publishing process.

And last but not least special thanks to the many people who contributed to the pool of knowledge, experiences and resources throughout the implementation of this project.

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Commissioned and Funded under
The 1996 ANTA Adult Literacy Nation Project through the Department of Employment, Education, Training and Youth Affairs.

ISBN NUMBER 1- 86431- 492- 4

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Published by the Designated Research Group for Workplace Learning and Organisational Development, University of Western Sydney, Nepean. (02) 4736 0089

Contents

Preamble 1

Chapter 1. About this guide 4
Merilyn Childs
1. The purpose of this guide. 4
2. What's in this guide? 5
3. A brief word on methodology 6
4. Who was involved in the project? 9
5. What did the project do? 12
6. VET and Integrated Adult English Language Literacy and Numeracy 13
7. Principles and guiding perspectives rather than curriculum and training 14
8. Conclusion 14

Chapter 2 What is meant by 'small business'? 16
Merilyn Childs, Margot Mac Manus, Jenny McGee
1 An overview. 16
2 Statistics. 17
3 Earnings 19
4 Profile data 19
5 On the job and in-house training. 20
6 Micro enterprises are different to large organisations 22
7 Micro and SMEs and regional economic well-being 23
8 Micro and SMEs and factors that impact on their success. 23
9 Change Management 24
10 Ethnic Entrepreneurs 25
11 Costs, benefits, incentives and VET best practice 26
12 Conclusion 27

Learning partnerships with small business 30
Merilyn Childs, Margot Mac Manus, Jenny McGee
1 Introduction 30
2 Key Assumptions 30
3 Key Principles 31
4 Key Issues 35
5 Key Strategies 42
6 Conclusion 50

Chapter 4. M & SMEs and the Key Competencies. 52
Merilyn Childs
1 Do national standards have relevance for small business workbased learning? 52
2 The Mayer Key Competencies 53
3 Key Competencies and M & SME contexts: a discussion. 55
4 Key competencies: further questions 59
5 Smaller organisations mean smaller 'pools' of competence. 59
6 Conclusion 60

Attachments
Attachment 1. Workbased learning in micro and small businesses: vignettes and examples from applied research 62
Margot Mac Manus and Jenny McGee
PART A: Profile information about micro small businesses involved in the project. 62
PART B: Vignettes about microsmall businesses involved in the research project. 72
Attachment 2. Women and mentoring 78
Attachment 3. State and Regional Development, NSW 79
Attachment 4. A tool box for understanding Learning Cycles 81
Attachment 5. Overhead transparency templates 84

References 96

List of figures

Figure 1: The tripod relationship between economic development, community development and organisational development 8
Figure 2: Contrasting Student Workplaces 36
Figure 3: Project Management 43
Figure 4: Recruitment Strategies 48
Figure 5: An Example of a learning cycle using research methodolgical analysis. 82

Preamble

At the National Centre for Vocational Education and Research (NCVER) Research Conference in Melbourne in June 1997, Chris Robinson, Managing Director NCVER, identified 'small business' as a key target for Vocational Education and Training (VET) 1997-98 research priorities.

In anticipation of this interest and in response to the increasing attention given to small business generally, in 1996 the Workplace Learning and Organisational Development Unit at the University of Western Sydney, Nepean successfully applied for a research grant under the ANTA National Literacy Policy and was awarded an Innovative Projects Grant to conduct research into Integrating English Language, Literacy and Numeracy in Small Business Workplace Learning. This guide has been written as one interpretation of the project.

At a recent Annual Conference of the Small Enterprise Association of Australia and New Zealand in Coffs Harbour called *Small Business: the Key to Urban and Regional Development* David Carson (Carson and Gilmore, 1997), Professor of Marketing from the University of Ulster in Northern Ireland, delivered a key note address in which he argued that marketing orthodoxy and theories about the marketing/entrepreneurship interface are flawed at almost every level in the context of small to medium enterprises.

In the same way, and for similar reasons, this report argues that Vocational Education and Training orthodoxy is flawed in the context of micro and small to medium businesses. This report, in the form of an easy to read guide, argues a *different way of thinking* about work-based learning for micro and small to medium business enterprises, within a context of enterprise and regional development.

Merilyn Childs

Project Manager, October 1997.

Why the interest in small business?

"There is increasing international evidence that the growth of small businesses is a key strategy in the restructuring and revitalisation of older capitalist economies currently underway."

(Collins, Gibson, Alcorso, Castles, & Tait. (1995). p. 13)

" ... there has been a general pattern of employment growth in the small business sector and a marked decline in employment in the large business sector"

(National Board of Employment, Education and Training Employment and Skills Formation Council. (1994). p. 29)

"Clearly, there exists great potential within the ethnic small business sector of the Australian economy to succeed where big business has apparently failed."

(Collins, Sim, Zabbal, Dhungel & Noel. (1997) p. xvi)

About This Guide

CHAPTER 1

About this guide.

1. The purpose of this guide.

This guide aims to orient Vocational Education and Training (VET) providers and adult educators to one approach to workbased learning[1] in small business training and development. It reflects the process used by the *Workplace Learning and Organisational Development Unit* during an applied qualitative research project during the period August 1996 - August 1997.

A Slight Breathing Space is not a 'How To' kit, nor is it a formal research report. Rather it is a collection of information that provides *a way of thinking* about micro and small business enterprises (M & SMEs)[2] for the VET sector. It provides :

- orientation to 'small business'
- conceptual frameworks, analytical and methodological tools that are useful when working with micro and small business enterprises
- recommendations for policy and practice deve[illegible] the VET sector
- further research questions that need to be inve[illegible]

1 In this study 'workbased learning' is defined "as a complex arrangement of
- formal, informal and incidental learning activities both inside and outside the workplace
- individual, collective and organisational learning
- recognition of prior and current learning
- accredited and managed workbased learning
- partnerships in learning, research and development" (Childs and Wagner, 1997, p. 2).

Furthermore, 'Work-based training', that is "training which is provided by an organisation primarily for its own employees using the empoyer's own staff, or consultants" (Misko, 1996, p. 2) is only one part of work-based learning. Managed workbased learning will identify "activities in the workplace consisting of training programs, job specifications and performance ... and [will] identify in academic terms, the learning inherent in specific jobs ... to enable that learning to be awarded [recognition]" (Nairsh, 1994, p. 9)

2 It is common for small business to be referred to as SMEs. For the purposes of this report the acronym M & SMEs will be used to ensure that micro small businesses (which are different again from larger small businesses, and may include own account workers— see Chapter 2) are acknowledged.

2. What's in this guide?

Section 1

Chapter 1 provides an overview of the key players and conceptual frameworks involved in a small business workbased learning research project in the Greater Western Sydney region during August 1996–August 1997.

Chapter 2 provides an overview of the term 'small business', drawing on statistical and research data from within and outside the VET sector.

Chapter 3 provides an overview of the key assumptions, principles, issues and strategies that could be adopted and used by a VET provider who wanted to become a *small business VET provider*.

Chapter 4 asks questions about the Mayer Key Competencies, drawing on Field and Mawer's (1996) interpretation of them within high performing enterprises as a basis for articulating the important differences between small and large business workbased learning.

Section 2

Attachment 1
Provides profile information about the 10 small businesses involved in the research project and vignettes of workbased learning[3].

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3 As this was a research project, these profiles and vignettes form part of the *development* of the key principles, issues and strategies articulated in Chapter 3. The project was established on the basis of earlier research and development work completed by Wagner and Traucki (1985) with youth workers and Wagner, Childs and Stanton (1995) with NSW Forest Industries Training Board - work which established *action-based learning* and *communities of interest* as the starting point of workbased learning rather than its accidental outcome. This approach formed part of the research question - was it an appropriate way of providing workbased learning for mixed industry and non-related small business? The project therefore did make connections between key players and owner managers at local and regional levels. But this tended to be limited to *information exchange*, the project officers assuming roles that related to research and development, creating limited communities of interest and acting as a *sounding board, clarifier, interested party, friend, workbased learning manager*. These were important and successful strategies, but did not include community or regional development and did not clearly utilise these as planned factors in workbased learning and enterprise well-being. We went on to see these as important absences from our original research design. As a result the profiles and vignettes *lean towards* the starting point and operation of the project rather than the findings. Despite this, they are very useful in providing concrete examples of workbased learning in micro and small business enterprises and in fashioning ways of thinking about small business problem scenarios.

Attachments 2-3
See *Contents Page* for details.

Attachment 4
Professional development overheads.

Additional Information

Footnotes.
Examples, definitions and suggestions for further readings will be found in footnotes.

3. A brief word on methodology

Historically, small business interventions have occurred as a separation between the owner managers and researchers, and owner managers and consultants. Massey (1997) writes of the dilemmas produced by traditional approaches to small business research; "those involved in supporting the SME sector are split between practitioners 'consulting to' SMEs and academics 'researching into' SMEs. This division between consultants and researchers is in part a response to the consultant's focus on the individual client,- in contrast to the researcher's focus on the sector as a whole. However ... the traditional separation needs to be re-examined, to ensure that all parties are maximising the value of any 'contact', no matter who initiates it." (p. 384)

Massey (ibid) argues that "there are potential advantages for the SME in purchasing consulting *and* participating in research 'suggesting' the division of the infrastructure into two distinct components may be failing to maximise SME development ... and will fail to produce any synergy: Researchers will continue to undertake research that answers their needs (and potentially ignores that of the SME operators) and consultants will continue to offer advice that answers their needs and that of their clients (and potentially ignores the questions of the SME researchers). The challenge for those interested in the growth of the SME sector is designing multifunctional development mechanisms which are of value to consultants, researchers and SME clients. (p. 385) For Massey, one way of approaching this challenge is by using action research.

At the commencement of this research project in 1996, we shared the same concerns expressed by Massey that research, consultancy and M & SME interests be represented in the project and that the separation between research, consultancy and enterprise development be collapsed. We did not, however, adopt action research as our methodology, although we did find it useful as one means of analysing the learning cycles that occurred throughout the project.

The project brought together what are often seen as three separate frameworks: economic development, community development[4] and organisational (enterprise) development. There are good reasons for adopting a methodological approach that links strategies for community development and organisational development to the needs of economic development, particularly in the case of M & SMEs, and to see this linkage as the context within which enterprise development occurs. Figure 1 (below) provides one way of viewing this tripod relationship within the context of regional development and national and global impacts.

4 Susan Kenny (1994), writing about community development in Australia, writes "[T]he exact meaning and usage of the term *community* is under debate. Most community development workers base their definition on the idea of some **common identity**. This may be based on shared class, geographic location, cultural values, gender, race, ethnicity, disability, workplace or age; or it may be self defined on the basis of similar political or other special interests. The definition for community generally used for community development work in Australia is very broad ... Over the last one hundred years there have been a number of attempts by social scientists to extract the elements of the term *community*. Hillery (1955, cited in Kenny, 19940) identified ninety-four definitions and found many inconsistencies between them. However, all the definitions referred to people, and most referred to social interaction, common bonds or goals, and common territory as important elements.' (p. 32) It is in this final sense that this report refers to.

Figure 1: The tripod relationship between economic development, community development and organisational development. (Wagner and Childs, 1997, cited in Wagner, 1997, p. 5).

Chapter 2 argues the significance of M & SMEs in the economic, community and regional well-being of Australia, including in rural and regional areas. In addition, they contribute to society and to notions of 'community' in a variety of ways, and these ways are not always directly related to their own in-house profit. These contributions may include intergenerational employment, building communities and social cohesion, forming strong local and regional identities, reinvigorated community activities, and attracting money to local areas[5], which has a spin-off for the community itself. Chapter 2 also argues that 'training' does not address

5 For example, in 'Shop Locally and Support your Local Community' campaigns and Main Street/Small Towns programs.

the complexity of this model of development, and argues for a different approach by the VET sector.

Although the project drew on popular views that small business owner managers need to 'network', this was framed within a model that fostered the creation of dynamic communities of interest between researchers, project officers, owner managers and a wide range of people, resources, solution frameworks and ideas, with the expressed objective that the owner managers would become researchers themselves, engaged in identification, research, clarification and solution exploration of immediate and long term enterprise issues. This enquiry was not limited to action research methodology nor were owner managers required to adopt a methodological technology (nor its language) that represented educator interests rather than their own. Instead 'learning cycles'[6] were mapped and workbased narratives[7] were documented. The research was therefore qualitative, adopted a limited community development model that fostered communities of interest and 'insider' enquiry, the shared development of workbased narratives—*and was at all times action based*. The intention was "to enable change and research to be simultaneous" (Massey, 1997, p. 382) and to provide a means by which key stakeholders could work, research and consult collaboratively *on the inside* of a problem.

4. Who was involved in the project?

Stakeholders in this project included researchers, project officers, owner managers and the Vocational Education and Training (VET) and M & SME sectors. Each of these stakeholders interests and positions were different–for example, owner managers bore the brunt of commercial risks while the researchers were funded by government. The VET sector is interested in 'training packages' and working out how to work best with M & SMEs; and project officers/adult educators are somewhere in between wanting to achieve outcomes for M & SMEs and the research project.

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6 Learning that is non linear, complex, and in a state of ebb and flow as change occurs, problems arise, solutions are found and tried. Learning cycles have phases (Wagner and Traucki 1985, See Attachment 2) which can be explained broadly as: Orientation, Consolidation, Review but in the context of SMEs these phases are highly idiosyncracy and 'messy'.

7 See Attachment 1, part B.

This project brought together a relationship between the following interests:

(i) Educational Institution: University of Western Sydney, Nepean.

The Workplace Learning and Organisational Development Unit was established in 1995 with a particular focus on 'work' and 'the future of work' and an underlying interest in complex learning (Childs and Wagner, 1995) and community and regional development. It has an underlying interest in asking questions about :

- the relevance of formal training in micro-enterprises
- the potential for alternative approaches, such as regional development and managed work-based learning, as a means of facilitating learning in micro-enterprises including community-based organisations
- the competencies required by adult educators to work as process managers across multiple and disconnected sites, rather than as a 'deliverer' of knowledge in or across discrete learning sites.

(ii) Micro-Enterprises

Ten small businesses were involved in the project. (See Appendix 1 for a more detailed description of each enterprise). They ranged in size from own account workers (no employees), to owner-manager plus 14 employees. The 'craft' or ' product' they offered included: hairdressing, mobile coffee making, screen printing, worm farming, children's books, purified water, child care centre, and sewing machine sales. Largely, they were located in or close to the Western Sydney region, but one enterprise was located in Melbourne, and we experimented with long-distance enterprise development via phone and fax.

The enterprises became involved in the project for a range of reasons:

- as a favour to the project officer
- because they were in a crisis
- because they had 'problems' they wanted to work on
- because they wanted to 'show off' their successes
- because they were open to the potential of business development and networking.

None entered the project because they wanted to get accredited training or to provide credentials for their employees, although certainly, they wanted to benefit from the project and to contribute to the research, to have a say and to have their needs and language heard.

(iii) Business Enterprise Centres and Chambers of Commerce

Business Enterprise Centres were involved in the project in a number of different ways. The local BEC (Penrith City and District Business Enterprise Centre) and Penrith Chamber of Commerce provided direct advice to the project officers as they oriented to the 'field' of micro and small to medium enterprises, providing access to knowledge and information about enterprises and the services currently available to them.

Other BEC featured indirectly in the project, through the experiences of the enterprises we worked with.

(iii) ANTA and NCVER

The fact that this project was funded in the first place reflects the increasing interest at the national level in finding ways to include M & SMEs in the national training reform agenda. The interests of the NCVER and the VET sector generally were instrumental in our decision to write this report as a guide rather than as a formal research report, and informed the kinds of questions we asked of the project and the data, as we went.

(iv) VET Practitioners

Following the presentation of a paper on this project at the NCVER Research Conference in July 1997, a group of VET practitioners found it difficult to see how this workbased learning process could be a 'VET' model. It does not, for example, have characteristic 'VET' tags: it was not based on Competency Standards, did not directly involve an Industry Training Advisory Board, did not reflect the National Qualifications Framework, and did not assess learning outcomes although outcomes (of all partners) were evaluated.

It is true that these 'tags' were hovering on the edge of our project rather than central to it[8], but nevertheless we *were* VET researchers - arguing from a different conceptual base. Throughout this report there is considerable discussion about the kinds of skills and strategies the VET sector needs to acquire to be involved in the "meaningful development" (Carson, 1997) of micro enterprises.

(v) A number of local & regional organisations[9].

As this project adopted a collaborative regional development model, connections were made with many organisations who helped in developing and implementing the project either directly or indirectly. These bodies ranged from ATSIC to Industry Advisory Bodies, Chamber of Commerce to the friends, family and networks of owner managers.

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8 It was not part of the research brief to investigate implementation of the orthodoxy established by the Training Reform Agenda in small business - some of this research has already been done (see References) and it has found that implementation is highly problematic. It was the intention of this research to explore what concrete approaches were possible in enterprise development, and from that perspective, to suggest the development of VET practices that are relevant to M & SMEs. Work still needs to be done to conceptualise the relationship between the findings of this report and the TRA, in order to provide meaningful enterprise development *as well as* meaningful qualifications, if required.

9 This included the Women in Mentoring Program - see Appendix 3.

5. What did the project do? [10]

(i) From a VET research perspective.

During a 10 month period, the project:

- established partnerships with 10 small businesses—predominantly from the Western Sydney region—and spent up to a period of 6 months and an average of 2–3 hours per week working in a variety of ways with owner managers on enterprise development
- conducted an extensive literature review
- took time to establish a web of contacts to support the development of the project, in particular drawing on informal contacts and personal recommendations
- investigated small business in the regional area—Central Western Sydney, NSW
- began to learn the language of small business and small business research
- articulated a range of roles and strategies that could be used when working with small business
- established documentation processes for recording the processes and questions of the project
- managed the project
- concurrently analysed the findings.

(ii) From a small business enterprise development perspective.

The ten small businesses had different reasons for becoming involved in the project. Only one of the businesses was interested in credentials for their employees (and only after the idea was suggested), and most were involved because they wanted access to:

- information exchange and resourcing
- a 'bigger picture'
- a process that would enhance understanding of current contexts
- a process that would mediate isolation.

10 See Attachment 1 for more specific details.

Each small business worked with the project officers to formulate relevant foci for enterprise development. These emerged from the immediate issues facing the enterprises, and included employment relations problems, rethinking product and services, and developing new skills such as strategic planning.

Working with small business is a hands-on experience. In concrete terms, this ranged from:

- cleaning up office space
- enterprise planning
- employing an office assistant
- rewriting employment contracts
- rehearsing and formalising expertise
- conducting product and business research.

6. VET and Integrated Adult English Language Literacy and Numeracy

This project was funded to investigate the integration of Adult English Language Literacy & Numeracy into workplace learning for small business and to explore 'integration' within the context of the overall research framework. Literacy informed *but did not form* the options developed in partnership with micro-enterprises for solutions to their enterprise development needs, enhancing the pool of knowledge and expertise brought to the partnerships.

7. Principles and guiding perspectives rather than curriculum and training

At the outset, we established a set of principles that would guide the development of the project. These will be discussed more fully in Chapter 3, but it is useful to summarise them here:[11]

We determined that the project would:

- Define small business work as curriculum
- See all participants as learners who mutually benefit from pooling competence
- Learn from past research and build on it rather then duplicating or ignoring it
- Manage contradictions: acknowledge and work with the individual cultures, communicative practices and structures of each small business AND recognise trends across small business industries, communities and regions
- Look for and build on what is working in the business & work collaboratively towards problem definition and action
- Aim for sustainability and ongoing workbased learning
- Draw on as many frameworks as possible in the process.

8. Conclusion

In summary, *A Slight Breathing Space* reports the findings of a one year applied research project. This project adopted a combination of community, economic and organisational development frameworks and linked these to existing research about small business and entrepreneurship with the aim of developing recommendations for VET sector strategies relevant to M & SME development.

11 See Attachment 4 for overheads of key concepts and strategies used in this report that can be used for professional development.

What is meant by Small Business ?

CHAPTER 2

What is meant by 'small business'?

1. An overview.

The term 'small business' is used a great deal by politicians, popular press and educators as if it means a single homogenous thing. But what does this term 'small business' really mean? And what are the implications of these meanings for the VET sector and workbased learning?

Small business is a tough game and most small businesses do not survive. Collins et al, (1995) refer to small business as a "volatile world" (p. 23) and a "dicey devouring game" (ibid p. 27) with a "high casualty rate". (ibid. p. 29) The vast majority of entrepreneurs live with the ever-present spectre of bankruptcy looming over their heads.

In Australia it is estimated that eighty per cent of businesses fail within their first five years (Neals, 1989, cited in ibid, 1995, p. 29), eight per cent survive beyond ten years (ibid, p. 113) and that "the corpses of these business failures, the sites of empty shopfronts or factories, are places of despair and heartbreak." (ibid, p. 29). "The contemporary small business is embedded in complex chains of integration and dependence with large-scale (even global) capital." (ibid, p. 102).

Collins et al (1995) see "the emergence of ethnic small business" (which comprises over 50% of small business in Australia) as "part of a global process of change which can only be grasped through a concept of the totality of the world market and its local effects." (ibid, p. 15).

Ross Gittins (Sydney Morning Herald, 3 September 1997.) accepts that very small businesses are growing, and that they have created most of the jobs in the past decade. However, this has been in response to the fall in employment in other sectors and can be "almost completely explained by the changing structure of the economy and the changing pattern of consumer demand". In addition, Gittins argues that "overseas studies show that small business can be divided into 'mice' and 'gazelles'. The mice are new, small firms that always stay small. The gazelles are firms that start small but grow rapidly." (p. 15)

He goes on to argue that "[T]he trick is, the mice greatly outnumber the gazelles. It's a mistake to think that all small businesses grow: only a minority do. And its impossible to know in advance which ones they'll be." (ibid)

Local businesses which have operated successfully, surviving past the first, fifth and tenth years of operation, can be wiped out in months once large organisations decide to move in. "The small shop or filling station is often highly dependent on semi-monopolistic suppliers, while a small garment producer may be at the mercy of large department stores who buy all its products" (Collins et al (1995), p. 103). All the training in the world cannot compete with cost-cutting practices of multinationals such as Franklins and Coles-Myer. What can make a difference is a strategy linking small business development to community and regional development in response to a globalised economy.

2. Statistics.

According to the Australian Bureau of Statistics (1994–95), "Industry sectors can be amalgamated into two broad groupings: "goods *producing* and *services producing*.

Goods producing industries include:
- Mining;
- Manufacturing;
- Electricity, gas and water supply; and
- Construction.

Services producing industries include:
- Wholesale trade;
- Retails trade;
- Accommodation, cafes and restaurants;
- Transport and storage;
- Communication services;
- Finance and insurance;
- Property and business services;
- Education;
- Health and community services;
- Cultural and recreational services; and
- Personal and other services.

In 1994–95, the services producing industries accounted for 71 per cent (557,600) of small business and for 69 per cent of small business employment." (p. 7).

"The small business sector can be further broken down into employing and non-employing businesses. During 1994-95 about 358,000 small businesses were operating in Australia. ... Small business employees were concentrated in the manufacturing (22%), retail trade (17%) and the property and business services (14 %) industries. These three industries accounted for nearly 53% of all persons working in small employing businesses ... During 1994-95 there were on average 428,000 non-employing businesses operating in Australia ... there was an estimated 640,000 working proprietors (own account workers) involved either as sole proprietors or partners." (ibid, p. 8)

"Non-employers have shown strong growth (during the period 1994-95) recording an average annual growth rate of 3.6% over the eleven years to 1994-95. By comparison, growth in employing businesses averaged 3.0% over the same period." (ibid, p. 14). "Small business employment increased from just over 2 million in 1983-84 to just under 2.7 million in 1994-95, and increase of 31.7%. This represents an average annual growth rate of 2.5%. Employment in businesses other than small business over the same period grew by 23%, or 2.4% per annum." (ibid, p. 9)

A few of the businesses involved in this project were very small businesses, or what the ABS calls *own account workers*. An own account worker is defined as someone who operates his or her own business or engages independently in a profession or trade as a sole proprietor or partner without employees ... In 1994-95 there was an estimated 666,900 very small businesses operating in Australia." (ibid, p. 57) The density of own account workers is increasing, by 29% since 1983-84 and by 3% since 1991-92." (ibid, p. 70).

In addition to employment size, other characteristics are usually associated with small businesses. Small businesses usually have a small market share; they are price takers (i.e. they do not have the market power to influence prices); they are managed in a personal way, with the principal owners making the central decisions; and they are independently owned. In most small businesses the owner-manager contributes most of the capital (ibid p. 1) and the firms' operations are usually locally based (Department of Industry, Technology and Commerce 1991, p. 4–5).

In all industries, very small enterprises (less than 10 people) constitute more than 80% of all businesses, with the exception being the manufacturing industry, where only 74% of all enterprises employ less than 10 people. Small businesses in these private sector non-agricultural enterprises on average employ less than four persons ... Data for 1989-90 show that small businesses accounted for 48% of private sector employment, or more than two million jobs (Australian Bureau of Statistics, p. 7).

3. Earnings

Overall, there is a greater concentration of persons in the lower earning range in small businesses than in large businesses. 17.8% of male small business employees have weekly total earnings between $400 and $449, compared to only 10% in larger business. For both employer groups there is a large concentration of females in the lower earning range than males.

On an average hourly earning basis, employees in businesses with less than 20 employees earned about 11.6% less than average hourly earnings across all businesses and 17.2 % less than wage and salary earners working in businesses with 100 employees or more (ibid, p. 71).

4. Profile data

The Department of Industry, Science and Tourism (1997), recently conducted a survey of 9,000 employing businesses across most industries, and of that sample, the following profile data is useful:

- the smallest firms employ as many part time employees as full-time non-managerial employees ... 61% of firms employing 5 to 9 (employees) are family businesses
- other than the smallest employing firms, as firm size increases, family ownership decreases
- women play a more prominent decision-making role in smaller enterprises
- fewer owner managers in small enterprises have tertiary qualifications (less than 30%) than in large businesses
- 92% of firms employing less than 5 persons have no unionised staff
- in the last 3 years, only about 4% of small enterprises introduced some formal business improvement management activity (e.g. QA, Just in Time JIT or TQM)
- around 14% of the small businesses surveyed compare their performance, formally or informally, with other firms
- participation in government programs (tax concessions such as R & D programs) is particularly low for small business, with less than 3% of micro enterprises (employing less than 5 persons) using such programs. In contrast, over 50% of firms employing 500 and over persons used a government program
- firms employing less than 20 persons are much more likely than large enterprises to aspire to little or no growth.

According to Williams (Williams, cited in Collins et al, 1995, p. 113) small business has a one in three (32%) chance of failing in the first year, and only 8% chance of surviving beyond 10 years.

5. On the job and in-house training.

It is not surprising that owner managers have indicated particular preference for types of learning. "[S]mall business people do not like those delivery methods which ... may not recognise their experience and expertise (Coopers & Lybrand, 1994a, p. 11) and "the recognition of on-the-job acquired skills and other prior learning in the design of small business programs" and the "use of learning methodologies appropriate to mature adult learners" (ibid, p. 35) is essential. Wagner and Childs (1995) argue for action based learning via managed learning partnerships that encourage dialogue, collaboration, exploration and input from all parties particularly the main stakeholder. Other writers, such as Gallimore and Goldenberg (in Oser (Ed), 1992, p. 205) question the suitability of explicit teaching of formal curriculum in situations such as small business, preferring to use conversation— in particular instructional conversation—as a learning process in which people bring themselves, their ideas and dreams into existence (Rose, 1989, cited in ibid p. 206).

Coopers & Lybrand's (1994a) report provides a comprehensive review of literature focussed on the training needs of small business. It was the view of most owner managers surveyed that the best way for their staff to acquire skills was in the same way they had, that is by way of on-the-job and in-house training. (Coopers & Lybrand, 1994b, p. 28)

Owner managers prefer training that was "short, sharp and specific" (Coopers & Lybrand, 1994a, Executive Summary), problem specific and industry specific, with a preference for on the job learning (ibid, p. 24). This preference seems to reflect the attitude of small business owner managers of "getting on with the job"[1].

Many owner managers had attended outside training sessions where the focus was too general to be practical. If the learning is actually *on the job*, then it is likely to be of direct relevance to that *specific* small business. Owner managers expressed a preference for trainers who were flexible and informal in their approach, had business experience and applied knowledge and who acknowledged the expertise and knowledge of the owner managers (Coopers & Lybrand, 1994a, p. 10–12). They report that training has not been available *in the preferred forms* particularly for "established and growth businesses" and it is not surprising that there are "low levels of participation" (ibid, Executive Summary). Other perceptions of external training are that it is "too theoretical, without immediate benefit to the business and not necessary" (Coopers & Lybrand, 1994b, p. 30). These comments seem to "reflect a desire by small businesses to be better understood by external providers" (ibid, p. 31).

1 It might also reflect the research design and research questions that focus on 'training' rather than 'work-based learning'.

Another major issue identified in this research was owner managers preference for consulting informal sources such as family, social networks, accountants and suppliers (Gibb 1987, cited in Coopers & Lybrand, 1994a, p. 23). For owner managers these informal sources of consultation have a number of highly significant aspects: they are likely to be "available at times that suit the owner manager, trustworthy, time effective, cheap or free and likely to be directly relevant." It is suggested that "informal sources may well be the target group for information about training programs" which would then be passed on to small business (ibid, p. 23). The review of literature suggested that "the mutual development of training needs, content, pace etc. will lead to increased satisfaction of participants needs" (ibid, p. 37).

Meredith Baker and Mark Wooden (1995) report a comprehensive survey of the training needs and activities of small and medium sized enterprises. Like Coopers and Lybrand (1994a 1994b), they conclude that an approach to SMEs that is formal, structured and based on accredited training is misdirected. The National Training Reform Agenda needs to be rethought if small business is to become involved.

6. Micro enterprises are different to large organisations

Large organisations are different to M & SMEs. For example, "[I]n large organisations decision making is made within a highly structured and ordered framework. ... because of the diversity of decision making and the number of decision makers, time scales for decision making are likely to be long. This inevitably produces a planning element in large company decision making. [In SMEs] most decisions originate with and flow through the entrepreneur or owner manager who is likely to be involved in all aspects of his/her firm's activities ... The individual owner/manager ... will co-ordinate and perform decision making in a way that is 'natural' to him or her." (Carson 1997, p. 149). In practice owner managers "will only take risk until money is threatened", will largely show innovation "if they have a need for new sources of money", are opportunistic in an environment of certainty and are change oriented primarily because change is inevitable rather than planned and managed. (ibid, p. 154)

In addition, much of the literature on marketing (and as adopted by the VET sector) portrays large organisation orthodoxy that is at odds with small business realities. As an alternative to this orthodoxy, Carson (ibid) argues that people working to improve small business performance need to adopt the following strategies:

"1. Don't advocate 'radical' change- any change should be introduced gradually in order to allow confidence to emerge

2. Don't change the product and ways of doing things- managers don't want to change immediately, they want to get more sales/customers/profit. Consequently most advice should centre on improving marketing communication

3. Look for solutions WITHIN the firm's existing systems. Therefore, solutions should INVOLVE the company's managers and employees in working out problems and creating solutions

4. Promote marketing WITHOUT advocating heavy promotional spending and price reductions

5. Emphasise marketing availability, sustainability, value perception and communication."

(ibid, p. 156, capitals in original).

7. Micro and SMEs and regional economic well-being

There is a growing understanding of the dominance of M & SMEs in Australia's economic well-being. "This dominance is even more pronounced in most rural regional centres throughout Australia where the economic well-being of these communities is almost totally dependent upon the entrepreneurial spirit and activities of small business operators, local authorities, local and regional industry associations and community groups." (Morris & King, 1997, p. 481) Thus not only do small businesses rely heavily on personal networks to operate their businesses, they also take on significance in regional development. Small business linkages are many and varied.[2] Some are formal collaborative networks intent on overcoming price disadvantage, others are intimate local relationships between customers, friends, families and local institutions such as schools, churches, service organisations and ethnic clubs.

The economic well-being of a single small business that is locally and regionally based is interlinked with the economic well-being of other small businesses- indeed, it may well be that the quality, nature and intention of this interlinking is one of the factors that determines economic well-being in the first place. (ibid) This is a significant departure from large business, whose economic well-being is more directly related to such factors as the share market, global economic trends and solutions to management problems and industrial relations provided by international consultancy firms, than it is to the economic well-being of the region within which it is located.

8. Micro and SMEs and factors that impact on their success.

In his recent study of the factors that determine success in small businesses, Hall (1997) argues that "Education and experience level of principal owner [is] apparently not associated with the survival of start-up [businesses]" Indeed, he goes further to argue that "[I]t does not appear that generally any of the usual measures of human capital-education levels and experience of owners or their co-directors *makes any difference to the success of their companies*." (p. 302, italics added.) Instead, factors such as product differentiation, a clear view of

2 Although research consistently indicates this connectedness, this does not mean that 'linkages' invariably contribute to enterprise well-being- this depends on what they are, what they are for and so on. In addition, it can't be assumed that small business activity is connected to regional development in a deliberate or active way, although this is sometimes the case. Rather it may be an indirect outcome of an owner manager's attempt to survive or grow the business, thereby keeping money and employment in the region and adding to the region's profile and business mix. In addition, an owner manager may have limited interest in forming strategic alliances and in this instance it may be more appropriate to adopt a community research approach rather than a community or regional development approach. It is also possible that within your region the many advisory bodies, including local government and other key players will have competing agendas, and workbased learning projects need to acknowledge and work with these agendas in strategic ways. In the same way, there will be competing agendas and priorities within each small business- working with them is an important strategy. (See Chapter 3).

their customers, paying bills promptly, a focussed strategy, and shorter credit days were all significant in determining survival. This view is reinforced by Helsop and Harris (1997), who conducted a longitudinal study into a start-up company called Mischief, which after 6 years operation "has developed a sustainable competitive advantage by being different (and constantly rethinking their points of difference) and offering a range of activities concentrated on the needs of this clearly defined market niche." (p. 675). Other factors impacting on success relate to the realities of small businesses "long working hours, few holidays, low profit, the risk of bankruptcy, the constant pressure of competition, and the lack of security against accident or illness" (Collins et al, 1995, p. 13). External factors such as the current retail slump or the effects of government policies (e.g. the effects of changes to tariff policies on the manufacturing sector) also impact on success.

9. Change Management

The Food Industry Training Council Inc (1994), *Food Industry Development Project Report* analyses change process as it relates to small business, and how it can be managed effectively. A significant issue discussed in the evaluation of this project was the relationship between time and productivity. "Change has to fit in with small business ... small business can't afford for production to decrease [and] the major factor influencing productivity is time ... finding time to involve workers and even managers themselves in anything other than the production process is sometimes extremely difficult and the bush fire mentality abounds." (ibid, p. 21)

The report highlights the urgency with which owner managers must respond to operational crisis on a daily basis (i.e. the bushfire mentality) rather than having time to address more structural issues such as training and business development. The report recognises that given structural and global issues "constructing a model to suit small business is extremely difficult" (ibid, p 21).

10. Ethnic Entrepreneurs[3]

Waldinger, Aldrich and Ward (1990) argue that ethnic small business owner managers develop "ethnic strategies" as an adaptation to their host society. These strategies emerge from the interaction between the opportunity structure of the host society and the group characteristics and social structure of the immigrant community, and include "self exploitation [such as] working for long hours and paying oneself a lower salary, [the use of] owners personal networks and ... indirect ties that are linked to their ethnic communities" as a means of information gathering, and the process of hiring family and coethnic labor. (p . 46)

Collins et al (1995) locates ethnic small business in Australia within a bigger picture of current global economic trends. He looks at the Australian experience of ethnic small business compared to international perspectives, comparing immigrant small business in Australia to small business operated by non-migrant owner managers.

The authors challenge the notion that a particular kind of individual personality is drawn into small business; rather, social factors such as ethnicity, gender, class and previous educational experience (ibid, p. 143) are seen as significant. Immigrant involvement in small business is seen as being a response to individual and institutional discrimination in the workplace that blocks access to certain jobs or opportunities for promotion (ibid, p. 13). Often work created by small business, such as outwork, is poorly paid, insecure, without career structures and provides neither sick pay nor holiday pay (ibid, p. 17).

3 In addition, also see Attachment 4.

11. Costs, benefits, incentives and VET best practice

This project did not include a cost benefits analysis of the kind conducted by Misko (1996) on work-based (sic) training. The model used by Misko, based on earlier work by McDonald and Levin (McDonald, 1995, and Levin, 1993, cited in Misko 1996, p. 6) used a number of methods of cost analysis: cost-effectiveness, cost-benefit, cost-utility, cost-feasibility. Whilst this proved useful in Misko's research, it lacks an analytical framework that could provide a useful analysis of such factors as regional economic wellbeing, social cohesion and the cost benefit to communities of enterprise development: all significant issues when considering analysis of M & SMEs. This continues to represent an important absence from VET sector frameworks and many of the questions in the survey tool (ibid, 1996. Appendix D) is built around perceptions of large business concerns.

Misko's conclusion argues that "there has been a limited take-up of these practices in work-based training (i.e. competency based training) by small and medium sized companies. In addition, very few companies are using recognition of prior learning (RPL) as a valid assessment tool." (ibid, p. 112) Misko suggests that this poor take-up could be because "companies do not have the time, funds or human resources to invest in competency-based training modules" and "trainers may be loathe to rewrite training programs which have been successful in the past" (ibid, p. 112). Unfortunately, Misko does not question CBT itself.

It is reasonable to conclude from our research that the poor 'take-up' is more likely to be because CBT lacks relevance and interest to owner managers; offers little incentive or cost benefit; and fails to respond to the differences between large companies and small firms, and the special needs entrepreneurship and enterprise development.

It is also reasonable to suggest that the VET and higher education sectors have made fairly patchy responses to RPL practices, including actively resisting it (Childs and Wagner, 1997), and that this is an Australia wide, cross-sectorial issue rather than one limited to business enterprises.

12. Conclusion

90% of small business enterprises employ fewer that 10 people, are family run, have a large proportion of part-time employees, a small market share and 32% face financial failure in the first year. Although few owner managers have tertiary qualification and fewer still implement managed workplace change, this does not of itself imply a lack of skills. Owner managers can be dynamic, and have earned a reputation for initiating, exploring and developing new innovative business products and services, (Collins et al, 1995, p. 113) although Carson (1997) suggests this innovation typically occurs primarily when success is assured or change is unavoidable.

When the VET sector works with large organisations, the interests of the company have often converged with the interests of adult educators and the interests of government policy. There are common goals - achieving skills diversification, skill intensification, learning organisation, teams, work-based learning, and so on. This same convergence does not come easily to the VET sector when it works with small business. What constitutes 'success' in terms of VET (credentials either formally or informally attained, national standards, assessable learning outcomes and industry development) does not constitute 'success' for small business (wanting to work on immediate issues and enterprise development, to deal with issues of survival and in improving marginal profits and in enterprise development). Cost benefit analysis cannot be limited to perceptions framed in response to large business concerns and must include questions relevant to small business economic well-being within community, regional and organisational development frameworks.

It is not sufficient to investigate ways of encouraging small business to pay for existing VET services - VET services themselves need to be radically rethought.

Learning partnerships with Small Business

CHAPTER 3

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Learning partnerships with small business

1. Introduction

Chapters 1 & 2 :

- drew on research to show that small business enterprises are different to large businesses,
- gave an overview of what small business might mean
- argued that enterprise development of small business must be considered within the context of community and regional development frameworks
- confirmed that existing VET orthodoxy, based on training packages, national frameworks and assessment, does not meet the needs of M & SMEs.

There are alternatives to current VET sector orthodoxy. Chapter 3 provides an overview of key principles, issues and strategies that can be used to guide the development of partnerships and workbased learning between VET providers and M & SME sectors. They can also be used to guide the development and funding of national VET sector strategies.

Chapter 4 discusses the Mayer Key Competencies in relationship to M & SMEs and Chapter 5 provides a collection of stories about workbased learning with owner managers.

2. Key Assumptions

A number of assumptions underpinned the conceptual development and operation of this research project:

1. A 'small business' VET provider is different to a 'large business' VET provider, and adopts different principles and strategies responsive to small business

2. The small business VET provider acts as a process manager rather than a trainer

3. The small business VET provider will act as a broker and researcher. Part of this role will include strategic interpretation and access to national standards and portable credentials to individual employees and owner managers (who want them) in recognition of existing expertise and as an outcome of managed workbased learning

4. M & SME development occurs in the context of regional and community development 1

5. Management orthodoxy is largely flawed in the context of M & SME

6. The small business VET provider establishes sustainable partnerships with M & SMEs and with existing regional economic development bodies, local government and community development organisations

7. Resources and competencies are pooled as a strategy and outcome of small business/VET sector partnerships

8. Enterprise, community and economic well-being are interlinked in small business development

3. Key Principles

1. Define small business work as curriculum

By defining small business work as curriculum, a new relationship can emerge between the VET sector and small business. VET can pool its generic and managed learning competencies with small business product, services, business knowledge and generic competencies to arrive at new solutions for enterprise development.

2. See all participants as learners who mutually benefit from pooling competence.

The development of national standards was based on a concept of individual competence. Paradoxically this occurred at the same time as the introduction of socially engineered workplaces that favour work-based teams. Individual competencies have a number of inherent flaws (Wagner, 1996, Childs, 1996). For example, they locate organisational competencies within curriculum and national industry standards whereas these competencies are collectively owned, developed and organised in real workplaces. They fail to account for "shortcuts" (Wagner, 1996, p. 115) that may be a significant factor in productivity and they provide no means at all by which team performance may be acknowledged and rewarded. They assume that 'training' and 'training packages' are the answer, whereas in the context of small business there is clear and unequivocal evidence that they form only one small element in enterprise development.

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1 Many things conspire against cooperation- government policy, economic rationalism, and popular notions about competition. The strategic alliance approach to economic development is a first step that develops cooperation and collaboration for the purposes of economic development. It is based on the understanding that few small businesses are big enough to do everything themselves, and that the fate and well-being of any one small business is tied to the fate and well-being of many others. Developing strategic alliances is not without difficulties, and the development of strategies may include working through and with a range of established networks, establishing projects that provide opportunity to find common ground and purpose for collaboration (eg Main Street promotions, technology sharing, innovation interest groups). These projects encourage owner managers to work together without threatening their core business and core business knowledge. This collaboration represents new sites for managed workbased learning and small business VET provider involvement could be central to these developments.

Small business competence—that is, enterprise well-being—relies on many factors. It is formed by the pooling of such things as resources, skills, local and regional knowledge, combined intergenerational family competencies[2], networks, product knowledge, knowledge of market, and so on. This pooling of competence can be enhanced by the presence of an adult educator, who has the potential to enrich the pool available to the enterprise, the owner manager, employees, networks and customers.

From an educational research perspective, "it is a standard rule of social interaction, that a team reflects more than the sum of its individual members. The interaction of people within the same context creates a different quality from individual approaches because it initiates a process of constant reflection, discussion and questioning of one's views and perceptions on the basis of common experiences and goals" (Wagner & Traucki, 1985, p. 30).

3. Learn from past research and build on it rather then duplicating it or ignoring it.

Although research about small business consistently indicates that they are different to big business, and require different approaches to learning, these findings to not appear to influence the products the VET sector develops—other than an attempt to rewrite training packages as distance education or CD Rom packages.

Instead of developing more curriculum, 'try out' what research, owner managers and advisory groups suggest. Form partnerships with owner managers rather than teacher-student relationships; work on-the-job in short sharp periods of time; be flexible; work with immediate known problems; develop process management skills. Work within a hybrid community and organisational development framework rather than an individual competency framework.

Avoid the pitfalls: don't expect owner managers to reveal their business secrets to you; don't do an individual needs analysis; don't offer to set up complex quality systems or other management fads that may have worked for big business but have limited relevance to small

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2 For example, a school child pooling English Language competence with a parent owner manager's business acumen.

3 One recent example of an alternative approach to training has been developed by the Provincial Communities Enterprise Project which is an initiative of the Brotherhood of St Laurence. Under the creative direction of Teresa Arnold, the project has developed a *Certificate III in Business New Enterprise Formation* that uses action learning as a basis for enterprise development. The Certificate is valuable in that it explicitly places the VET provider in a partnership relationship with the owner manager and requires the provider to use process management skills to implement the program. This Certificate is the first of its kind in Australia and is characterised by action-based rather than curriculum-based learning, within an overall qualification that creatively interprets National Standards. It builds-in small business real time and real contexts as an implicit rather than accidental philosophy of the learning program. The development of this program provides some hope of a model that potentially meets the needs of small business *and* can be located within the Training Reform Agenda.
Further information:
Brotherhood of St Laurence
67 Brunswick Street
FITZROY VIC 3065
(03) 9419 7005
Or Teresa Arnold (03) 5331 1141.

ones; don't link 'training' to claims of productivity and profit increases—there isn't evidence to support this claim. If you want to ensure that owner managers and employees gain access to national standards, then creatively interpret the standards to reflect work practices (not vice versa) using the twin workbased learning concepts equivalence and relevance.[3]

4. Manage contradictions: acknowledge and work with the individual cultures, communicative practices and structures of each small business AND recognise trends across small business industries, communities and regions.

Owner managers consistently report that training courses are too generic to assist the individual small business, which are seen as idiosyncratically different to other enterprises. Owner managers and employees often need to work on immediate concrete issues on-the-job, and training that is irrelevant or lacks portability and immediate application is seen as a waste of time and money. Pre-packaged solutions need to be unpacked and reworked on-the-job in partnership with small business. It is likely that each enterprise will have its own cultural practices, lingua franca, history and traditions and that these factors will shape the learning process and partnership in special ways.

Having said this, there will be industry, community and regional trends that will inform the enterprise development process and indeed, will enrich it. For example, Gadenne (1997) argues that "different ... strategies are associated with small firm performance across different industry types ... In the retail industry it would appear that performance is positively related to a value for money factor ... In the service industry, performance appears to be positively related to an employee relations factor ... In the manufacturing industry, performance appears to be positively related to a competitor advantage factor... " (p. 260)

5. Look for and build on what is working in the business & work collaboratively towards problem definition and action

Enterprise change and development won't happen overnight and won't happen in response to an externally devised solution. Owner managers own the risk, and therefore will manage change according to the extent to which risk can be mediated and profit margins protected. Rather than introducing an external solution, take time to research the business and the industry within which the business fits, and make this research part of the first phase of enterprise development. What narratives does the owner manager use to tell the story of the enterprise? What successes and problems surface during those narratives and how can they be used as a basis for ongoing learning? What needs to be done in the business for managed development to occur?

6. Aim for sustainability and ongoing workbased learning.

Establish a model of learning that is feasible and sustainable. Intentionally create linkages as well as shared problem solving practices and research skills in partnership with small firms that can support continued enterprise development long after VET sector involvement has ended.

7. Draw on as many frameworks as possible in the process.

Success in small business is determined by many factors and has been the focus of a great deal of research over the past two decades. Success cannot be determined simply by the application of management models or systems of accounting, and therefore advice that is limited to economic frameworks is likely to be inadequate. Drawing on a mix of frameworks—community development and regeneration; organisational development; qualitative research methodologies; research on innovation and entrepreneurship, research about indigenous and ethnic identities; models for partnerships and collaborative endeavours; key competencies; and your working knowledge of your own region, BECs and other formal M & SME network groups can all contribute to the mix of solutions that can be used to assist in specific enterprise development.

4. Key Issues

Key Issue 1: Workbased learning and project officer skills development.

There has been a developing tradition of Enterprise Based Teachers (EBTs) who work part-time or full-time within a particular enterprise, and project officers who work across a number of like enterprises. However, an emphasis often remains on 'provision' and the selling of pre-packaged solutions rather than the development of partnerships. As Gray (1994, cited in Morris & King, 1997) argues, a 'client-centered' approach requires different skills than the more common 'expert', or consultant-centered model, in which a consultant is brought in to research problems and provide solutions in a situation where the client is a passive partner. (p. 6). Managed workbased learning within a framework of a regional development model[4] requires an adult educator to develop new competencies.

Gary Renshaw (1996) describes some of the micro skills adult educators need to develop:

"• assistance in defining and clarifying learner aspirations, purposes and career opportunities

• assistance to identifying learner's existing skills and competencies and matching these to learning requirements and job opportunities

• access to information about appropriate learning and assessment

• access to materials and resources for learners

• designing and operating learning environments

• guiding, counselling and tutoring to support learners

• managing and deploying resources and staff". (p. 3).

Whilst Renshaw (ibid) implies a useful broker model, Turner (Alford, Mcpherson, Mulraney & Turner, 1997) argues—from the perspective of enterprise based learning for young people as regional development—that authentic student workplaces vary from traditional classroom learning in a number of ways, and clearly these variations imply new skill requirements for educators. (p. 14).

4 Such models certainly exist within the health and community-based organisations sectors, using strategies such as case management, consultation, community development and community education.

Contrasting Student Workplaces		
Traditonal classroom	TRAC	Enterprise classroom
• Single learning site • Detached learning settings • Routinises times, hours • Young person peer norms • Delayed feedback • Limited consequences	• Multiple learning site • Engaged learning settings • Flexible dynamic times • Adult work ethic • Tangible rewards • Immediate feedback • Authentic consequences	• Generate constant flow of ideas • Flexible adaptable to cahnge, takes risks • Workplace is real part of classroom • Rewards for active participation in learning • Constant feedback, especially about capabilities and cirriculm outcome • Activities student driven, ideas in action, real decision and consequences • Technology used as tool for learning • Achieving personal best

(Alford et al, 1997. p. 14)
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Figure 2: Contrasting Student Workplaces

In addition to Renshaw and Turner's perspectives, managed workbased learning requires adult educators to become process managers rather than teachers. This requires new expertise:

(i) Ambiguity Tolerance

Whilst 'training' is largely controllable, organisational learning is not pre-packaged and involves analysis, research and change management skills, and will involve more interests, issues and players.

This complexity and change will mean that problems, issues and solutions will provide an ambiguous backdrop to learning and project partners need to factor in, manage, tolerate and use this ambiguity as a feature that will provide more complex and situation responsive options and action.

(ii) Role flexibility

Managed workbased learning means that not only is knowledge pooled between partners, so too are the roles available to the participants within the partnership made possible by learning not being curriculum and 'trainer as expert' or teacher/student bound.

Potential roles for project partners may include:

- researcher
- networker, sounding board
- small business owner managers
- client
- language and literacy practitioner
- vocational trainer
- teacher
- consultant
- broker
- resource person
- trainee
- administrative assistant
- facilitator
- reminder
- story teller
- process analyst.

Each role implies a different process and relationship between owner manager, adult educator and employees, and it is likely that all these roles will be used at different times by all partners in the project.

(iii) An ability to define 'work' as curriculum.

One of the barriers to M & SME training and development is the development of curriculum in the form of packages that may have little to do with either the vocational or generic competencies of the business. Their work- and the global contexts within which it occurs- is their curriculum. Sometimes owner managers are stuck in a cycle of non-learning, unable to make effective changes to failing processes. Sometimes government agencies are stuck in the same cycle, unable to develop appropriate responses to the needs of small business. One way of working through this problem is to define micro small business work as curriculum (See for example, Naish, 1994. p. 27) and for the role of the adult educator to be to facilitate work-based learning and organisational development rather than training.

(iv) Adaptability

Because involvement with small business must fit the productivity cycle, an almost 'anywhere, anytime, on anything' approach needs to be adopted to managed workbased learning. Project officers may work before and after business hours, on the road between shopping centres, over the phone between clients, by fax and almost exclusively on varied worksites. This can lead to isolation, and it is essential that support systems be established from the start of the project to ensure that project officers work in teams.

(v) Research and Development Skills

In a 'training' model, the VET educator's research is often determined by the curriculum or program. In a workbased learning model, research forms an essential part of on-the-job 'curriculum' development and will be determined by immediate and complex issues that are mediated by global contexts. Both will require research and development at local, regional and national levels.

(vi) An ability to work in partnership with owner managers rather than as 'providers' to owner managers.

The language of a provider model is instantly recognisable—training packages, provision, national standards, training needs analysis, curriculum, workplace learning are all code words for VET orthodoxy. Working collaboratively—even if it is within national standards, requires a different conceptual base and therefore a different use of language—consultation, negotiation, regional development, resources sharing, workbased learning, partnerships, learning communities are all useful code words as an alternative.

Key Issue 2: Clash of cultures and expectations

Whilst the VET sector may have a long tradition of valuing assessment, qualifications, skills audits and the individual skills development, small business is far from convinced about the value of training and development for them- particularly as VET orthodoxy does not meet their needs. On the other hand, M & SMEs can potentially make gains from involving the VET sector in enterprise development and skills enhancement. Meaningful enterprise development (Carson, 1997, p. 1) requires changed cultures and expectations on the part of all partners- M & SMEs and VET providers.

Key Issue 3: Advisory Bodies & how to use them to support regional development and workbased learning in M & SMEs

There are many local and regional bodies that you need to know about if you are to work in the SME sector. We can give anecdotal feedback that owner managers experiences of advisory bodies are mixed, and are not always positive. They may not be able to provide relevant assistance if, for example, they concentrate on providing advise for new owner managers when an experienced owner manager is making the enquiry. Or they may only provide financial advice, when the owner manager needs a more complex set of solution strategies. On the other hand, they may provide excellent support and advice.

It's important to find out about the kind of advice given by local, regional and state agencies, and to be familiar with the 'barrow' they are pushing. At the time of this report (October 1997) the Department of Employment, Education, Training and Youth Affairs is commissioning an enquiry into the provision of Small Business Consultative Networks. The results of this review may determine the future role of these networks in future VET sector activities micro and SMEs.

Given national coordination and quality developments that reflect research knowledge about SMEs, advisory bodies (and Local Government agencies) have the potential to play a critical regional role in the support of workbased learning in small business.

Key Issue 4: Documentation and quality assurance.

Assessment has increasingly been used by the VET sector to determine program success, equating individual learning outcomes (for example, the successful completion of a qualification) with quality. In M & SMEs however, assessment and the Australian Qualifications Framework continues to hold little intrinsic value to owner managers and there is little evidence to suggest why this perception should change. (See Chapters 1 &2 for discussion).

Owner managers may have little reason to value qualifications—they may employ casual staff, have no promotional structure, may have no time for formal training programs and may see little connection between education and profit, or education and innovation—and they may be right.

Owner managers are likely to have an interest in enterprise development, and it is in this area that the VET sector needs to develop accountability practices based on evaluation rather than assessment[5]. As Wagner and Traucki (1985) argue, it "seems impossible for one person to be aware of all important facets of a complex process, which in turn will lead to a biased focus

5 Evaluation may include assessment, for example assessment of equivalent learning outcomes against national standards but assessment *does not* replace evaluation which is essential in accountable and ethical managed workbased learning.

and possible inappropriate responses. By being able to share the responsibilities for content delivery and process monitoring a much better documentation of the process can be achieved, which also provides a more effective base for decision making" (p. 30).

It is therefore important that summative and formative evaluation forms a central part of workbased learning and that qualitative and quantitative methodologies are adopted for this purpose.

Employees must benefit from enterprise development. Firstly enterprise development brings the possibility of continued employment and better wages and conditions. Secondly, employees need to be given access to credentials that provide them with future work opportunities either within their current workplace or in other workplaces. VET providers needs to get smart about using managed workbased learning, including :

- enhancing the pool of knowledge, experience and expertise of the business by involving employees in problem solving and innovation (in such a way that it does not threaten core business knowledge)
- providing comprehensive Recognition of Prior Learning processes, and by
- being flexible and responsive to equivalent and relevant learning outcomes against national standards, which may need to be multi-industry based to reflect the multi-skilled work that small business employees and owner managers often do.

Key Issue 5: Funding for regional development and workbased learning in micro and SMEs.

This project was a funded[6] research project, and the relationships that developed between owner managers and project officers were not impacted on by charging a fee for service as may occur with consultants. Indeed, all the research and advisory projects reported in this guide were at no cost to owner managers and were funded by a government agency of some kind. We cannot report what the outcomes or evaluation might have been had a charge of

6 The total salary budget for this project was in the vicinity of $45,000 for a one year period, employing 2 project officers job share for 4 days per week (does not count project manager time). In addition, they required a travel budget, on costs were 21%, and additional costs included project management. (Other costs were related to research costs). Only 10 owner managers were involved in this project, however a project officer could manage a case load of 8 owner managers at any one time. If the project officer 'met' (by phone and/or in person) 2 hours per week, then 16 hours would be spent in total with owner managers. Although this is less teaching time per week than (for example) the award agreement in TAFE NSW for full time teachers completing 20 hours teaching duty per week, a VET teacher working with small business needs greater access to travel time. 10 hours per week would be available for research & development, project management, and reporting projects to project manager. Variation in case load could be considered to accommodate local circumstances, such as an owner manager wanting to meet every 2 weeks. This model is much the same as currently operated by Adult Literacy Officers in TAFE NSW. Any more than a case load of around 8-12 owner managers would compromise the relevance, quality and viability of the program as described in this report.

(say) $50 been levied for each hour spent in contact with project officers. We also cannot say what impact a charge might have had on the type of relationships and expectations that may have developed as a result.

Different institutions have different methods of costing programs, and it is not the role of this report to recommend charges. However, in determining costs to owner managers, the following costs need to be included: project officer time, project manager time, travel time, travel costs, phone and fax charge. It is our view that VET providers are unlikely to profit financially from involvement with M & SMEs. Establishing this kind of program may be part of an overall strategy of forming regional connections & providing professional development for VET teachers rather than a central strategy for marketing VET products and services for a profit. Regional development, community development and enterprise development have their own sources of funding, and VET providers who are able to develop appropriate models for working collaboratively with regional and local bodies may increase the possibility of accessing funds to support their work with M & SMEs.

Key Issue 6: Small businesses as organisations that learn.

Quite a lot is known about the preferences owner managers have for learning: factors that impact on the success of start-up small firms; entrepreneurship and qualitative statistics on size, education, industry density; employment relations; qualities of excellent advisors; and so on.

Not enough is known[7] however, about very small businesses as organisations that learn. Our research raises questions about the assumptions that underpin theories about learning organisations that have been developed within the context of big businesses need rethinking in the context of M & SMEs. (See Chapter 4)

Key Issue 7: Owner manager's perception of 'government interference' and implications for VET sector workers.

A marketing consultant remarked at a Women and Mentoring information day in Sydney in 1996 that 'if there is anyone here from a large corporation and you are going to be working with small business, you must remember small business people think differently from you'. During this project owner managers made common complaints about being patronized, talked down to, misunderstood, coming up against brick walls and being subjected to near impossible regulations and red tape when dealing with government bodies. There was an almost universal cynicism about what was seen as 'government interference'. VET organisations can be seen as just another government body, enforcing standards, policy and credentials from above with little to offer. It is important to built trust and respect with owner managers and to take time to do so.

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7 There has been a startling lack of research into VET sector small businesses which have flourished in response to privatisation over the past 5 years.

5. Key Strategies

This section builds on Key Principles and Key Issues to give helpful suggestions to small business VET providers about establishing a workbased learning model within regional, community and organisational development frameworks.

1. Use a client centred approach within a regional development model.

Adopt a client-centred, process orientated approach to assist owner managers and employees to step back, uncover and articulate problems and possible solutions, dreams, obstacles, new directions and plans and develop relevant strategies for enterprise development that can be implemented in real time. These solutions need grounding within local circumstances, industry directions, regional development and responsive to global circumstances (where applicable).

2. Establish partnerships[8] and shared management of workbased learning.

Project management needs to reflect the principles in section 3.1. The focus of project management can vary, but in essence there are two main options:

- collaborative management clustered around work functions ('the way we do things here') and enterprise development.
- collaborative management clustered around innovative projects—that is, innovation and the development of an intrapreneural[9] culture (Whitta and Dixon, 1997, p. 175).

Project management needs to be seen as occurring across three layers, with each 'layer' implying different tasks and roles depending on function and proximity to different aspects of project implementation.

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8 Entrepreneurship may evolve around issues such as evaluating the effectiveness of 'points of difference' (Frost, 1997,p. 667) or developing an intrapreneural culture (Whitta and Dixon, 1997,p. 175) in which 'the intrapreneur may be the creator or inventor but is always the dreamer who figures out how to turn an idea into a profitable reality' (Pinchot, 1985, p. ix, cited in Witta and Dixon 1997, p. 175). It may also evolve around 'hard' issues, such as managing power and persuasion & team participation, and understanding 'how change is designed and constructed in an organisation as necessary.' (Drever and Day, 1997, p 206).

9 Recognise that the skills that family and friends bring to the small business in the process of *pooling competence* are not signs of weakness but critical features of small business life. Work with and enhance this process rather than try to undermine it!

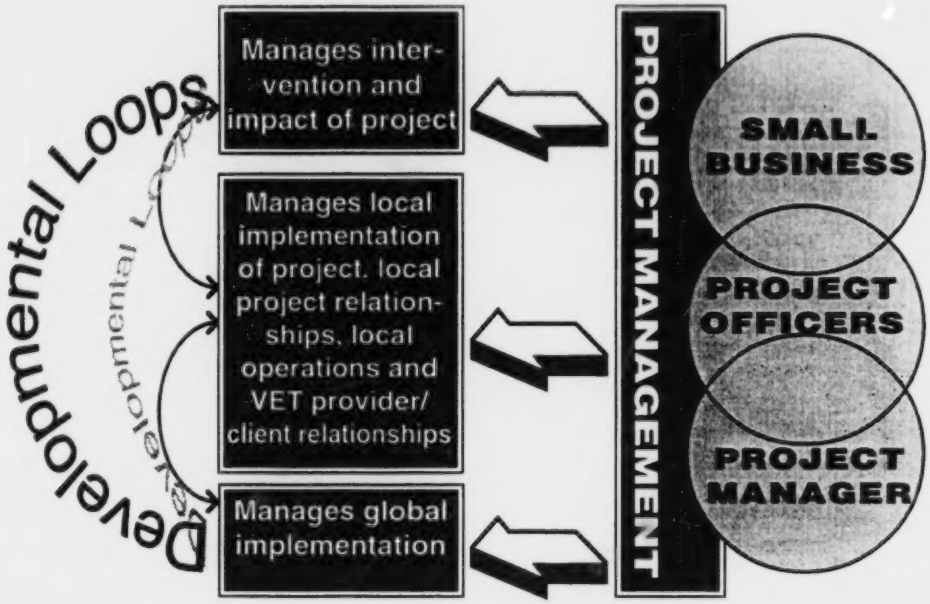
Developmental Loops
Developmental Loops
Manages intervention and impact of project
Manages local implementation of project, local project relationships, local operations and VET provider/ client relationships
Manages global implementation
PROJECT MANAGEMENT
SMALL BUSINESS
PROJECT OFFICERS
PROJECT MANAGER

Figure 3: Project Management

It is useful to think of project management in terms of core business and to recognise that for each player in small business development, the core business will be different:

- The core business of the small business owner-manager is to sell her craft, service or product and may include entrepreneurship
- The core business of the VET teacher and project manager (if there is one) is to facilitate workbased learning, and to ensure quality, financial management, educational soundness, accountability, and the ongoing research and development of the project.

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3. Be relevant

Managed workbased learning must :

- make sense
- be usable
- be cost effective
- not require you to be on-the-job for too long
- not require the owner-manager to be off-the-job
- work with the real time and real world experiences of the workplace
- not be based on training and training packages
- allows for role flexibility and for 'VET' to be defined contextually
- not rely on distance education or multimedia as the only possible solutions for small business workbased learning
- define job specifications and workplace performance as demonstrated learning.

4. Make regional connections

Spend time orienting to small business in your region. Find out what is already there: associations, mentoring schemes, business development centres, clubs, ethnic communities, and community connections - all servicing or supporting small business in some way. You need to connect to them, attend meetings and join[10].

5 Make local connections

Establish mutual exchange with local small business advisors. They can provide you with specifics of small business life and a reality check for what you are developing. You can provide them with a 'bigger picture' of vocational education and training.

6 Work within known networks first

Research has shown that small businesses prefer to work with known networks for advice and enterprise development. Our research supports this view, and our most successful attempts to engage with small business was through personal recommendation.

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10 This is particularly true if you are also a small business yourself!

7 Negotiate meaning: VET language, aims and concepts are alien territory!

Take time to learn the language and appreciate the concerns of small business. Don't assume that the language, aims and concepts of VET are known or understood—or will be valued—by small business. We found that terms such as 'workplace learning', 'ambiguity tolerance', 'networking' were not popular, and 'national standards' was an unfamiliar term.

8 Manage workbased learning

Workbased learning needs to be managed to ensure accountability, direction and purpose and that it relates in real time to enterprise development. Hold regular project meetings to debrief, clarify meanings, reassess, plan future actions and develop scripts for speaking to and working with small business. See managed workbased learning as 'fundamentally social in nature' and document the learning processes, recognition of prior learning and the development of equivalent competencies to relevant national standards. (See for example, Sefton 1994) Map inter-industry and cross-industry networks and relationships. Ensure client confidentiality.

9 Build on existing contexts and immediate problems[11]

Instead of waiting for this week's small business crisis to 'end' so that you can do training, work with immediate issues and problems first working explicitly to develop generic competencies. Over time this will build trust and partnership, and from this basis you can work collaboratively with owner managers and employees towards managed workbased learning.

10. Where possible, work on-the-job

In the context of M & SMEs, 'on the job' may mean on-the-road, or at varying locations. It may mean in a home office in the case of own account workers or in a small factory, outlet or staff room. In rural and regional areas, it may mean travelling between agricultural sites or it may mean close working relationships within a county town. And it may include a redefinition of contact to include learning that is via phone or fax.[12]

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11 Courtney and Mawer (1995) note: "You can have a beautifully integrated program with language, literacy an numeracy and vocational skills developed together, but if it is marginal to the main business goals of the enterprise it's not integrated." (p. 70).

12 In our case studies, despite a recent very strong sell of Microsoft products to SMEs, only one small business had Internet access and none had CD ROM. Whilst the situation will no doubt change, at present in rural areas it is not uncommon for only 3% of the entire community to have internet access. If learning was by electronic means, it was by phone and fax and not via the Internet, although this may change in the future. See Chapter 4 for further discussion.

11. Provide cross-fertilisation, brokerage and create communities of interest

It may not be possible for owner managers to create sufficient breathing space to meet with other owner managers off-the-job. One important function that a VET provider can enhance is the provision of cross-fertilisation between enterprises and to develop communities of interest (if they aren't already there) between separate M & SMEs and between SMEs and other agencies such as local government.

12. Anticipate that most learning and change will occur when you are not there

Your time with each enterprise will be small, and the responsibility for enterprise development lies with the owner manager. Your role may be to assist in an ongoing process of problem identification and definition, articulating solutions (which may include training) and in tracking changes. The actual implementation of solutions will occur when you are not there.

13. See time as a resource rather than a cost

(i) Negotiating fluctuating meeting times

The amount of time that you can expect to spend in small business each week or period of time will depend on a range of factors, including:

- whether the business connection was established through a known network or is a 'cold sell' participant
- what is going on in the enterprise—is it surviving, failing or growing?
- the nature of product or services
- size
- the roles assumed by the owner-manager and the nature of multiskilling[13] in the workplace
- the number, roles and functions of employees
- commitment to change

The need for flexibility in the timing and type of contact requires flexible provision, management and work practices.

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13 M & SMEs have a long history of multiskilling—the pool of available people is often small, and this has always meant that skill boundaries have been blurred. Different industries blur these skills in different ways. In small business in the forest industries for example, it is not uncommon for employees to have many cross-industry vocational skills including mechanics, timber processing, accounting, people management, OH & S and so on.

(ii) Understanding 'Time' as a resource

Time and the creative use of time will be an ever present factor to be considered in small business development, every bit as critical as VET educator skills or small business commitment.

Time is at a premium—money and time restraints are always quoted as barriers to small business training. Owner managers juggle many hats and work incredibly long hours. There is often little time to think about problem definition or to look for solutions. Time allocation will be determined by a range of factors particular to each enterprise, but will reflect such things as the productivity cycle and the family cycle.[1]

Ian Palmer (Field notes, 1997, p. 61) argues that time commitment only comes when owner managers have exhausted their appetite for 'quick fixes'. Collaborative problem definition and solution processes take time—to establish dialogue, to define and articulate problems and dreams, to uncover obstacles and to explore possible solution strategies and implementation plans.

14. Use a range of recruitment strategies

Typically, the VET sector attracts people to its programs using a combination of strategies, ranging from cold sell (phone calls, advertising and via IT) and old networks (using goodwill, traditional links). Research in small business suggests that cold sell strategies have limited success in attracting M & SMEs. It is likely that a more successful strategy will be to work with known networks[15] as the starting point for establishing partnerships.

(See figure 4, next page.)

14 Especially if the owner manager is a female with partner or children.

15 There are good reasons for this: Collins et al (1995) argue ' ... the very fact that small business also must survive under intense competition with an ever present threat of bankruptcy led to understandable reluctance on their part to reveal business details to any but the most trusted individuals.' (p. 144). Coopers & Lybrand (1994a) stress the importance of not underestimating owner managers preference for working within known networks using trusted friends, family and professionals such as accountants as problem solving partners (p. 23). Collins attributes the 100% successful return rate of surveys his research to working with ethnic networks to conduct interviews (Collins et al, 1995, p. 144).

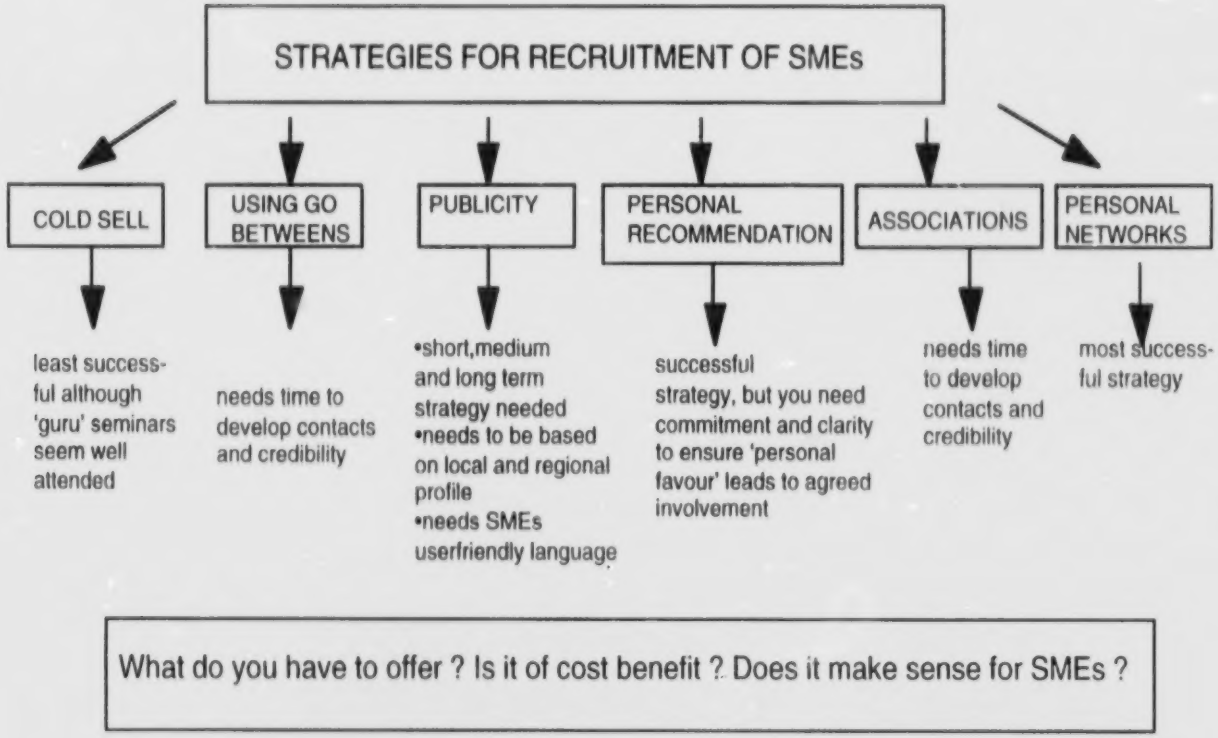
STRATEGIES FOR RECRUITMENT OF SMEs
COLD SELL
USING GO BETWEENS
PUBLICITY
PERSONAL RECOMMENDATION
ASSOCIATIONS
PERSONAL NETWORKS
least successful although 'guru' seminars seem well attended
needs time to develop contacts and credibility
•short,medium and long term strategy needed
•needs to be based on local and regional profile
•needs SMEs userfriendly language
successful strategy, but you need commitment and clarity to ensure 'personal favour' leads to agreed involvement
needs time to develop contacts and credibility
most successful strategy
What do you have to offer ? Is it of cost benefit ? Does it make sense for SMEs ?

Figure 4: Recruitment Strategies

15. Do not overlook industrial issues or the needs of workers & do not assume that their needs are the same as the owner manager's.

Recognise that "no analysis is a true reflection of the status quo" (Wagner, 1997. p. 14) and your perceptions will be partial and faulty. In any organisation, "different components have different interests, needs and functions" (ibid p. 14) and this includes differences between owner managers and employees. The "force field (factors of influence)"[16] of any organisation is larger than itself (ibid, p. 12) and the adult educator as well as the owner managers, cannot encompass, describe nor change all factors of influence. Pooling perspectives, including those of employees, can enrich the solutions available to workplace problems, even in workplaces with casual and temporary staff.

16. A note to Adult English Language Literacy and Numeracy (ALL&N) teachers

Most small businesses (other than private VET providers) do not have literacy development as a focus. Literacy orthodoxy—with its focus on individual learners, even in the most integrated program—is flawed in the context of M & SMEs. An alternative conceptual framework positions literacy as part of the communicative and procedural culture of a workplace—'the way things are done and passed on around here' both inside and outside the business. It also sees community or societal literacy as 'the way things can be done and passed around here better'.

O'Connor (c1993) sees workplace education as having a "modest but significant role to play in many of the contemporary training, education, economic and industrial developments." and that "[L]imited literacy is not a major cause of unemployment--lack of jobs is. Limited literacy is not a major cause of accidents and disease at work—inadequate capital investment, outdated technology, poor work organization are. Limited literacy does not account for ... industry's difficulties in international competition—foreign ownership, small research and development budgets, high interest rates and a high-priced dollar do. Better literacy skills would help deal with all these problems, but in a more modest way than many literacy campaigners now promise." He stresses the need to represent it "realistically" and not as "a magic elixir to cure all, but rather [as] an integral component of a process of presenting people with more vocational and educational choices than they currently enjoy". (p. 195).

Individual literacy programs, individual skills audits and non-integrated approaches to literacy development are dead-end and wasteful approaches to M & SME enterprise development and to limited resources for enterprise development.

16 The 'force field' (Lewin 1975).

6. Conclusion

Professor Rod McDonald (1997) recently wrote "learning in small business is frequently driven by factors that, on the surface, have nothing to do with learning. For example, the basis for competition, reliance on knowledge, whether staff are permanent or casual, who (in the firm) has the knowledge which contributes to business success, and a range of other factors". (McDonald in NCVER 1997, p. 9) Laurie Field emphasises that learning varies considerably between small businesses, and that research and training in the small business sector needs to look not only at learning within the firm, but also at learning between firms and their operating environments (customers, suppliers, business partners and allies, etc.).' (NCVER 1997:10)

Perhaps the significance of the many findings we have cited in this report, is not only as they relate to small business. They throw into sharp relief the continuing debate about workbased learning, workplace learning, competency standards, curriculum packages and the many existing products and services of the VET sector that focus on 'training'.

Whilst there are significant differences between large and small businesses, a complex approach to workbased learning (rather than a narrow focus on training) is as relevant to large enterprises as it is to small ones. This has implications for future research and development of questions for M & SMEs and large business enterprise entrepreneurship and intrapreneurship and for the development of national VET policy and funding guidelines.

Micro, small and medium enterprises and the Mayer Key Competencies

CHAPTER 4

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M & SMEs and the Key Competencies.

1. Do national standards have relevance for small business workbased learning?

None of the owner managers involved in this project expressed interest in national standards. However, as this was a VET funded research project it was important to identify appropriate national frameworks to report against. The small business sector does not necessarily 'fit' within a definable market, may not have a representative Industry Training Advisory Board, are not necessarily going to be a member of a trade or small business association. What standards apply for micro small business, when their business may be as diverse as a medical practice employing 20 staff through to an owner manager with 2 part-time employees selling pottery at a market stall or an own account working tendering for public sector work? How do specific industry/vocational standards reflect cross-industry competencies developed within community and regional development contexts. How is pooled competence assessed and accredited? Where do individual and portable competencies fit?

This project provided an opportunity to think about some of these question within the framework of national standards, in particular the Mayer Key Competencies (1992) as they appeared to offer the greatest potential for analysing small business competencies.

Mayer (ibid) argued that key competencies "focus on the capacity to apply knowledge and skills in an integrated way in work situations ... and are generic in that they apply to work generally rather than being specific to particular occupations and industries" (p. 7).

We decided :

- to analyse the Mayer Key Competencies (ibid) for relevance to micro-small business development
- to draw upon the development of these key competencies through research commissioned by the NSW Key Competencies Pilot Project *Generic Skills Requirements of High Performance Workplaces* (Field and Mawer, 1996).

Field and Mawer (ibid) investigated the question "what kinds of general skills (that is general, transferable skills like problem solving, team work and communications) are associated with work in high performance workplaces?" (p. 5). They drew on case study data from 10 primary and 5 secondary sites, including MLC, Australian Tax Office, Westpac, Lever Rexona.

All the sites were large corporations or 'large' small businesses. The project worked *from* the experiences of the high performance workplaces *to* the key competencies, using the case study data to colour the generic competencies with specific examples of workplace practices to generate a complex set of meanings of context specific competencies and to add "possible generic skills not included in the key competencies" (ibid, p. 22).

2. The Mayer Key Competencies

"COLLECTING, ANALYSING AND ORGANISING INFORMATION

The capacity to locate information, sift and sort information in order to select what is required and present it in a useful way, and evaluate both the information itself and the sources and methods used to obtain it.

COMMUNICATING IDEAS AND INFORMATION

The capacity to communicate effectively with others using the range of spoken, written graphic and other non-verbal means of expression.

PLANNING AND ORGANISING ACTIVITIES

The capacity to plan and organise one's own work activities, including making good use of time and resources, sorting out priorities and monitoring one's own performance.

WORKING WITH OTHERS AND IN TEAMS

The capacity to interact effectively with other people both on a one-to-one basis and in groups, including understanding and responding to the needs of a client and working effectively as a member of a team to achieve a shared goal.

USING MATHEMATICAL IDEAS AND TECHNIQUES

The capacity to use mathematical ideas, such as numbers and space, and techniques such as estimation and approximation, for practical purposes.

SOLVING PROBLEMS

The capacity to apply problem-solving strategies in purposeful ways, both in situations where the problem and the desired solution are clearly evident and in situations requiring critical thinking and a creative approach to achieve an outcome.

USING TECHNOLOGY

The capacity to apply technology, combining the physical and sensory skills to operate equipment with the understanding of scientific and technological principles needed to explore and adapt systems." (ibid, upper case in original)

Possible generic skills not included in the key competencies.

"Making decisions

Delivering results

Thinking creatively

Focussing on customers

Understanding systems

Managing change

Improving own performance

Understanding other cultures

Speaking a foreign language

Sharing leadership

Understanding organisational culture

Negotiating

Planning for tomorrow

Setting goals

Adding value

Being confident

Applying business acumen

Listening

Writing with impact" (ibid).

3. Key Competencies and M & SME contexts: a discussion

Key Competency 1: Collecting, analysing and organising information & Key Competency 3: Planning and Organising.

Owner managers are endlessly dealing with government red tape, promotional materials, employee pay, bookkeeping, and so on. This use may not be systematised, may be haphazard and may not reflect strategic planning or growth strategies.

The use of information technology (IT) varies enormously in the small business sector. It can vary from limiting the use of MYOB® financial management software in one office by a part-time administrative officer, to selling products internationally via the Internet. Whilst it may be true that large high performance enterprises need to be information managers (collecting, analysing, organising) small businesses need to be *strategic information user* (SIU)—locating relevant information, identifying consequences, taking action, managing information and implications of information. In micro-small businesses, the SIU is usually the owner-manager, or the owner-manager's spouse.

Unlike high performance enterprises—either reliant on middle managers, or adjusting to their loss during down-sizing—owner-managers in micro-small business do their own planning and organising, although this may be done jointly with spouse, accountant, friends or in reference to broader networks, such as business associations or private and government-funded advisory bodies. Field and Mawer (ibid) argue that by providing opportunities for employees to make decisions, this enhances "empowerment and participation" (p. 8). Owner-managers, on the other hand, may have become small business owners in the first place to have decision-making control, and their ability to plan and organise is likely to be one of the factors that determines their success or failure, rather than their empowerment.

More needs to be found out about the process used by SIU, as it is possible that this is one of the most significant sites of intervention available to VET in small business enterprise development. There is considerable literature available already that investigates the factors impacting on small business planning and organising success, from an economic research framework although this data has been poorly accessed by VET researchers.

Key Competency 2: Communicating Ideas and Information.

In a large organisation with 150 employees across 3 states, the process of communicating ideas and information up, down, across and throughout an organisation will inevitably look different to the process in a small business enterprise with 10 employees, all working in the same building. It will also look different, for example, in a small business operating a cleaning, garden maintenance business across a regional area, with employees only meeting once a week for half and hour.

Despite diversity between small businesses, it is possible to argue that the process of communicating is more immediate, potentially more intimate and may have direct and concrete consequences for the owner-manager, employees ands the viability of the business. Having said this, our research suggested that :

- the models and strategies owner-managers and employees use to communicate are impacted on by the profile of the small business, including : gender, type of product, profile of industry, size and viability of business, 'business identity' of owner-manager, tradition and history of business, need to communicate, proximity of employees, roles available for employees and owner-managers, and the 'inwardness' or 'outwardness' of the business
- an emphasis is likely to be placed on technical skills and knowledge (getting the product or service right) rather than generic skills
- little time is available for, or allocated to, the communication of ideas and information other than as they relate directly to the development of the product or process of selling the product
- dilemmas exist for owner-managers and small business employees regarding what information and ideas they should share.

Key Competency 4: Working with other and in teams.

Much of the value base of the Mayer Key Competencies, and of contemporary concepts of workplace learning and change (see for example, Sefton, Waterhouse & Deakin, 1995) relates to working in teams, problem solving and communicating. The change of work cultures to 'teams' in large organisations is not without its problems (Childs 1997) however these problems rarely pose a threat to the core business of the company. The type of information and decision-making available to the shop floor, even when working in teams in a flatter organisation, does not generally represent the core business knowledge of the enterprise. It is not likely, for example, that a process worker in Merick Sharp and Dohme will learn enough of the business through team work, to resign and establish a competing company.

It is, however, possible for this to occur in a micro-small business. 'Working in teams' produces a dilemma for the owner manager. On the one hand, the owner manager needs to access a broader pool of competence in order to develop the business; on the other hand, working in teams means the employee has greater access to the knowledge, skills and competence of the owner manager, including knowledge about the running of the business and of product design, manufacture and development.

Some small businesses, such as hairdressing, have a tradition and culture of sharing business knowledge in addition to vocational knowledge with apprentices and employees. Hairdressers have long been adapted to transient and casual work practices, to new hairdressers setting up in the suburb, a public friendly face to customers ('teams') and to competition.

Many small businesses do not have a tradition of apprentices, may have marginal profits, and may see their business acumen and product knowledge as an important competitive advantage that they do not wish to share, in particular because by sharing with employees they may be creating a competitor.

Micro-small business are intimate environments in which owner managers and employees constantly balance the boundaries between relationships and roles. In high performance workplaces it may be less visible that the CEO and enterprise has direct benefit from better productivity (salary, share issues, cultural capital) than shop floor teams.

At an operator level in small business, there can and are participatory activities on the 'shop floor' and in the field, but at policy level there will be business secrets (for example, contracts and budgets) that will not be participatory.

'Working in teams' can imply a static workforce, and an assumption of permanence, commitment to the values and goals of the enterprise and to the prospect of benefit in the longer term (career advancement, qualifications). This may not be true of small business employees or be within the scope of the enterprise itself. 'Career advancement' in micro-small business may equate with leaving the enterprise for a better job elsewhere.

Finally, 'teams' may have many meanings in small business, different to the composition of the socially engineered or self-formed 'teams' in larger enterprises. They may be family units (over 50% of businesses, both Non English Speaking Background and English Speaking Background, are family run businesses), clusters of informal networks, cooperating friends. Not enough is known about the importance and operation of social process as it relates to organisational learning and enterprise development in small business.

Key Competency 5: Using mathematical ideas and techniques.

There were numerous examples of the "use of maths ideas ... for practical purposes" (Moy, Brown, Winchester, Stone & Schwenke, 1996, p. 9) in the case studies discussed in this guide. Examples of the use of mathematical ideas included:

- numbers, number systems, place value e.g. money, accounts
- percents and decimals e.g. loans, interest, bills, rebates, profits
- graphs and mathematical representations e.g. reports on profits and losses
- measurement, space, size e.g. time, quantity, materials use, storage, temperature, capacity, weight
- algebra e.g. spreadsheets, some procedural formulae, flowcharts
- statistics and probability e.g. average process, wages, outputs, rates, risk and insurance.

Key Competency 6: Solving problems.

Our research identified that particular 'frameworks' informed problem solving in the case study, depending on who the key players were in the process and what their interests were in the enterprise. For example, small business advisory bodies generally offered economic advice; womens' mentoring program offered amongst other things management, business counselling and business identity advice for women; the VET sector offered training and curriculum advice; friends offered personal advice; employees offered technical advise; books offered 'how to' advise; government agencies (local, state and federal) offered rules and regulations advice; the owner-manager often defining and solving problems idiosyncratically, depending on personal values combined with experience as well as the particular sets of circumstances and information that fed problem definition and solution.

Our case study indicated that more research should be conducted in this area, and in particular to the role of VET in researching, analysing and coordinating intervention in the existing problem and solution definitions available to small businesses.

Key Competency 7: Using technology.

Use of technology in the case studies was very much limited to car, phone, fax and computer use tended to be limited to specific soft ware for financial management and book keeping. Only one owner manager planned to sell his product on the Internet, and one other was collecting data this way.

There was an identified need to learn how to manage consultants in the area of technology—owner managers were being offered a array of technological products without a clear idea about how to be an informed consumer of these often expensive items.

Generally speaking, micro enterprise lack the infrastructure and financial leeway to invest in high technology—except for those business who are the sellers of these products to other small and large enterprises, or for whom technology was in some way the core business, or the producer of the core business.

4. Key competencies: further questions

Little has been written about small business as 'learning organisations'. Whilst rapid change in larger organisations has lead to work intensification, skills diversification, accelerated skills acquisition, teams, and work-based learning in order to adjust to a globalised economy, little is known of these phenomenon in small business.

Small business enterprises need greater access to a larger 'pool' of competence and problem solving input. To date this has tended to be addressed via :

- discussions about the importance of 'networking', in the belief that this will increase the global perspective and business acumen of small business
- encouraging small business to tap into Internet and global communications, in the belief that this will increase market-share
- trying to identify ways in which VET can sell national standards, training, curriculum or IT to the small business market, in the belief that the solutions developed for larger enterprises should also assist small business development
- trying to reduce governments 'red tape' impacting on small business. More recently, this has included trying the change the laws on unfair dismissal in the belief that this will allow small business to be more flexible.

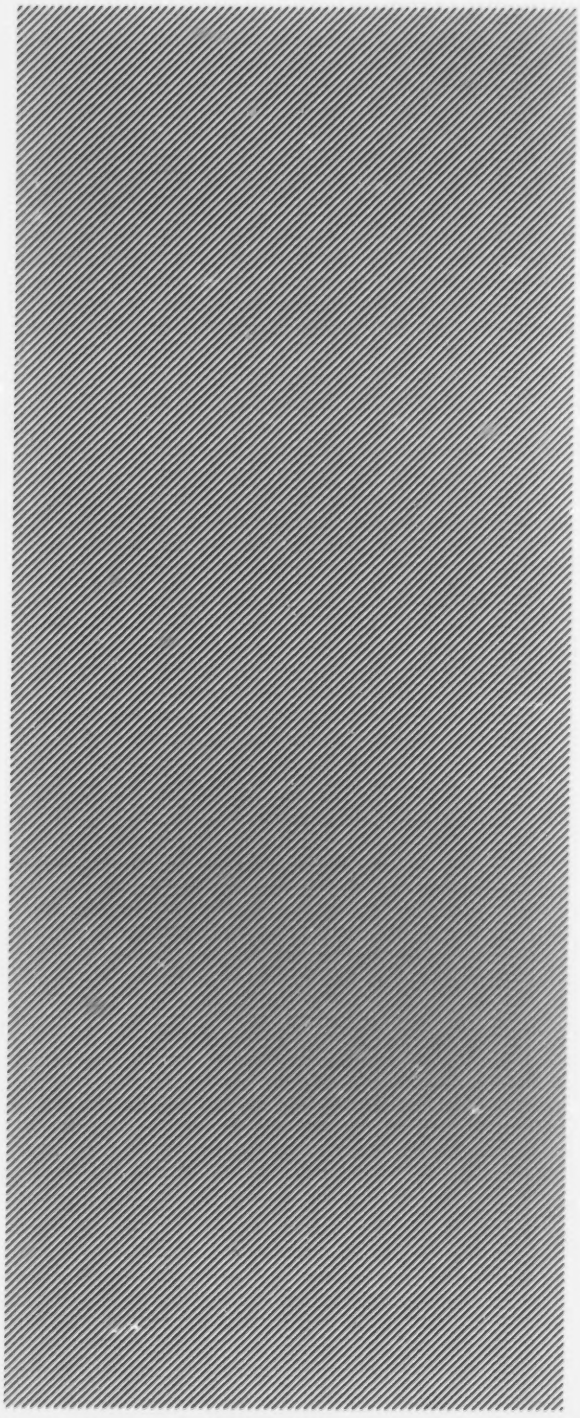
5. Smaller organisations mean smaller 'pools' of competence

Despite the trend towards skill intensification in high performance workplaces, the richness of the pooling of key competencies across the organisation means that it may have access to a complex and diverse range and mix of competencies, depending on how the organisation functions and whether or not it accesses the pool it has available to it. Micro small businesses on the other hand largely access a smaller pool of competencies within the 'boundaries' of the organisation, and enhance that pool via family, friends, advisory bodies, people in their informal business network, and from people who may or may not have direct interest or benefit from the enterprise. Key competencies often lie *across* these networks rather than 'within' one person. Owner managers and employees, working with a small business VET provider or advisor, may be able to strategically enrich the competency mix in many ways.

6. Conclusion

Despite decades of research with M & SMEs there are many questions yet to consider in relationship to the VET sector and enterprise development:

- Is there a cost benefit to small business to include VET provider intervention?
- Can VET afford to work with small business? What is the cost benefit for VET, given tight funding and increasing competition for VET services?
- What transitions are necessary in the VET sector to its concepts, frameworks, national standards, models, language, pedagogy and methodologies if it is to work with small businesses? How are those transitions to be made so that the time and money are not wasted on applying existing 'solutions' on M & SMEs—for example, developing curriculum packages and similar products when research clearly indicates this is an inappropriate solution.
- Unlike large corporations who are accountable to share holders, M & SMEs have social and personal meanings and purposes in additional to being 'economic units'. What models of workbased learning need to be developed to take into account M & SMEs complex and diverse non-productivity-related meanings?



ATTACHMENTS

Attachment 1

Workbased learning in micro and small businesses: vignettes and examples from applied research.

PART A: Profile information about micro small businesses involved in the project.

Part A provides profile information about the 10 small businesses involved in this project and will be described as operating in Greater Western Sydney, except for one business operating in Melbourne, to provide confidentiality.

The profiles do not include the complex web of networks between these small businesses and the contexts within which they work. Suffice it to say that these networks were characterised by friends and family, clients, product suppliers, landlords, employees and employee contacts and so forth. In most instances these networks were informal and 'unmanaged' and contributed in varying, often unplanned, ways to enterprise well-being.

Profiles

Profile 1

Type of business: own account workers
Industry: retail trade
Business area: sewing machine retail outlet
Gender of owner managers: 2 women
Ethnicity : Anglo Australian
Period of operation: six months

Overview of Business:

The owner managers of this retail outlet demonstrate and sell a quality name sewing machine, are trying to move material purchased by the previous owners and run well attended morning and evening sewing classes. They have never run a business before and are in the initial process of finding their feet and coping with the day to day running of the business and classes.

Overview of workbased learning:

The project officer initially made formal appointments with owner managers, however an arrangement was soon reached for the project officer to drop in between day and evening classes for short regular meetings, in keeping with quiet times in the shop. The project officer conducted research into business plan and marketing strategies and established links with an external expert in the form of a business advisor. The 'problem' however, was perceived by the project officer and not the owner managers, and no action was taken.

Profile 2

Type of business: owner managers
Industry: retail/wholesale trade
Business area: bottled water suppliers
Gender of owner managers: 1 woman and 1 man
Ethnicity : Anglo Australian
Period of operation: 6 years
Number of employees: 15 (winter) 20 (summer)
Project involvement focus: plan documentation of driver's job description

Overview of Business

This is a very successful family run business who bottle their own water and operate within stringent quality control procedures. These include measures such as: ozone and UV treatment, micro tests, plate counts, spring monitoring, batch coding. Most of the testing is conducted on-site whilst water analysis is regularly conducted and certified by the Australian Government Analytical Laboratories.

Fifteen people are employed during the cooler months and over twenty in the warmer months. Of these employees, two are office staff , the remainder being either factory workers or delivery drivers/salespersons.

Overview of workbased learning

Project involvement revolved around the creation of a job description for the driver salespeople. This involved:

- researching job description models and existing job descriptions
- accompanying drivers on their run, observing and questioning them regarding duties and difficulties arising
- clarifying expectations of owner managers
- consultation with office staff and gaining agreement between stakeholders regarding what is said, what is done and what is written down.

Profile 3

Type of business: own account workers
Industry: food services
Business area: mobile coffee supply
Owner managers: 2 women
Ethnicity: Anglo Australian
Number of employees: 0 - Plan to employ on a casual basis
Location: mobile, Melbourne, Victoria
Operating: eight months
Expansion plans: franchise development

Overview of workbased learning

Project involvement focus: provide resources, referrals, networking assistance, models and assist the process of documenting standard operating procedures, job descriptions and terms of employment.

Diana and Gina have been running their business for eight months. Prior to this business, Gina had been self employed in the fashion industry, designing making and selling clothes. She had worked in partnerships in a number of businesses. Diana has more then twenty years experience in the hospitality industry. This was her first experience of running her own business. Diana heard about mobile coffee carts, which are popular in America, at a seminar. She and Gina were both excited by the concept and decided to start their own business. They spent many months researching the area and finally decided to design a cart themselves. This involved an extraordinary amount of problem solving, from plumbing to storage to mobility. Although they faced a number of problems with the construction of the cart, they persevered with their ideas and their dreams. They concurrently read in the area of small business in general and this business in particular. They also did some market research and Diana , although experienced, attended an espresso making course run by a major coffee company. A significant focus of their involvement in the project was developing standard operating procedures.

Initially they planned to live off the business but found this was not possible at this point in their business life. They are both working in other small businesses and Diana is teaching a course in espresso making at a community college. They see this an opportunity to continue with their ongoing business education i.e. they are both very conscious of working on their business even if they are not yet working full time in it and are able to take learning from their outside work into their business.

Gina and Diana have explored many marketing possibilities and have worked already in a large range of venues, from local community events, fairs, country sporting events, dance parties, corporate gatherings. They both work at most functions and hire casual staff when required. A very exciting and unexpected development has been great interest in their cart design, resulting in the sale of their first cart. While they have plans to franchise, this is on the back burner at the moment while they concentrate on marketing both their mobile espresso business as well as their cart.

Project officers provided resources and referrals and assisted in owner managers networking during this phase of their development. Project officers provided models and will assist owner manager's documentation of standard operating procedures, job descriptions and terms of employment.

Profile 4

Type of business: own account workers
Industry: tourism
Business area: Aboriginal guided tours
Owner managers: 1 woman and 1 man
Ethnicity: Aboriginal woman and Anglo Australian man
Number of employees: 0 - Plans to employ local Aboriginal people
Operating: In the initial stages of establishing business
Project involvement focus: investigating funding possibilities and viability in terms of local Aboriginal communities.

Overview of workbased learning

Simone and Roy were in the initial stages of developing their business ideas when we met up with them. As an Aboriginal woman, Simone had a dream of establishing guided tours of the local area, from an Aboriginal perspective, in partnership with Roy, her husband. She had been developing her ideas for

some time and had completed TAFE courses relevant to her plans as well as working part time in two tourist business in her local area to gain experience. As Simone was not from the local area, a critical issue was gaining permission from the local Aboriginal Land Council to establish the business she planned. She had begun a negotiating with the Land Council.

One particular area Simone and Roy wanted to investigate was that of funding and loan possibilities for Aboriginal small business ventures and had asked the project officers to investigate this area. A project officer contacted the Aboriginal and Torres Straight Islanders Commission (ATSIC) and obtained information on a Business Funding Scheme specifically aimed at small business ventures. Contact was made via the Penrith and City Business Enterprise Centres with an Aboriginal Liaison Officer working through the Aboriginal Business Enterprise Centre. The Liaison officer was available to work with intending owner managers on the very extensive application form. Simone and Roy planned to establish contact with him and continue developing their ideas as well as exploring the viability of their business plan in their area.

Profile 5

Type of business: micro
Industry: personal care services
Business area: hairdressing/beauty salon
Owner manager: 1 man
Ethnicity: Anglo Australian
Employees: 6 full-time
Operating: 16 years
Project involvement focus: acknowledgment of owner managers achievements, feedback on staff development practices and advertising materials.

Overview of workbased learning.

Raymond the owner manager of this salon, had been in business sixteen years. His philosophy was one that saw crisis as a learning opportunity and contentment not as the absence of problems but rather the ability to deal with things as they come up. For Raymond, the business came first and the client set the standard in the business. Raymond valued his staff very highly, seeing them as his greatest resource. Very committed to and enjoying the role of teacher and mentor he saw ongoing workplace learning as vital not only to the development of staff skills but also to their self esteem as well as the ongoing development of the business. He valued teamwork and staff were encouraged to work together and share expertise. It was an environment in which staff learnt not only technical skills, but issues involved in running a small business. A weekly staff meeting provided a forum for exchanging ideas, information, experiences as well as practicing skills and discussing incidents or issues that were causing conflict and frustration so they could become learning experiences. Raymond's focus in the project was feedback on his staff development practices.

Raymond had very clearly defined bottom lines i.e. what he as owner manager was and was not prepared to tolerate from staff and an expectation that staff would put work first in their lives. While they appreciated his perspective as the owner manager and the interdependence of the business's fortunes and their position, most of the staff, particularly those more senior, had different priorities. He saw himself as a small business person who could bring that expertise into any business.

The project officers had gone to the salon as clients. Staff had talked very positively about the owner manager and the atmosphere he

encouraged, in particular teamwork, a client focused approach and an ongoing learning environment in the business.

The project officers contacted the owner manager who wished to meet and discuss his approach to small business, staff development and advertising. The owner manager suggested the project officers met with the staff at the weekly staff meeting and provide feedback on his approach to staff development. Project officers have given feedback on staff development practices as well as on advertising materials the owner manager was using in a local paper.

Profile 6

Type of business: micro
Industry: domestic services
Business area: cleaning/gardening
Owner manager: 1 woman
Ethnicity: Anglo Australian
Employees: 14 permanent part-time
Operating: 14 years
Project involvement focus: clarified some of owner manager's concerns, assisted development of written operating procedures

Overview of business

Crystal began her business fourteen years ago, as a self employed house cleaner. Enrolled in nursing when she left school Crystal found the authoritarian structure of hospital very oppressive and decided she wanted to be her own boss. Although starting small, her business became well established in the real estate boom of the eighties. She offered real estate enhancement (cleaning and garden improvement) and captured a share of the market through commitment to excellent, reliable service. In late 1985, the business commenced tendering for Government contracts, with great success. A number of departments continue to be clients of Crystal's business. In 1992 Crystal dissolved the existing partnership.

Overview of workbased learning

In talking about the development of her business, Crystal described how she worked twelve hours a day, six days a week, spending a day a week knocking on doors to advertise her business. She talked about a number of significant issues. One was owning a business that is relatively easy to replicate i.e. on a number of occasions staff have left her employment taking clients with them. The other was the high turnover of staff. Following discussions with the project officer regarding developing career paths, Crystal was investigating the possibility of attending a 'Train the Trainer' course herself and paying for interested team leaders to attend. In discussing this issue she said she probably needed to accept that with some of the positions there would always be a high turnover. An issue she identified as significant to staff relations was a lack of written operating procedures which was a main focus in the project.

At present Crystal employs 14 people on a permanent part time basis with one of the two team leaders working full time hours. She recently employed an office manager, who is participating in the project, to teach her a computer bookkeeping program (MYOB®). Crystal has run a very successful business, which has also been very demanding. She plans to sell the business within the next year, have a holiday and plan her next move.

This promoted action on formalising some aspects of her business including written job descriptions. Owner manager and project officer worked on a draft job description which was to be circulated among staff and rewritten incorporating changes from staff feedback. The owner manager and project officer worked on procedures and specification documents for three positions.

Profile 7

Type of business: micro
Industry: childcare
Business area: long day care center
Owner managers: 1 woman and 1 man
Ethnicity: Anglo Australian
Employees: 2 full time, 1 part time
Operating: 4 years
Plans: To meet accreditation requirements of the Commonwealth Department of Family and Health Services.

Overview of business

This childcare center is situated in the heart of a small semi rural community and has places for 22 children.

The center is owned by a couple and is open from 7:00 am - 7:00 pm, 5 days a week, 48 weeks of the year, closed on public holidays. One of the couple is an early childhood trained (Diploma of Education in teaching) and is employed as the Director. The other has a full-time job elsewhere but is involved in the maintenance and behind the scene running of the center. They employ two full-time and one part-time staff members. As required one full-timer has an Associate Diploma in Social Sciences, the other two staff members have no formal qualifications.

The center is running at 96% capacity. There is never a huge waiting list and although they do fill each year, they are never assured of a full center the following year. The owner director feels this is because, unlike the two other closest centers, they are not attached to a primary school.

All of the staff and children at the center are Anglo Saxon Australian which creates problems for the owner director in planning for diversity issues within the center. The center is advertised in the Yellow Pages and through local school newsletters, but the majority of clients come to them through word of mouth. This has in itself problems as it is a very close knit community and one wrong move or word spreads like wildfire on the community grapevine. The owners have found it very unwise to mix socially with the children's parents, even though they live in the community as well as work there.

The owner director works approximately 15 hours a day and both owners spend the majority of the weekend involved with the center, doing the washing, shopping and maintenance. The owner director is nearing the completion of an implementation process required by the government to become an accredited childcare center.

Overview of workbased learning

The Director needed to develop accreditation processes and practices and was unclear how to go about this. The project officer worked with the owner manager as a researcher, investigating accreditation and assisting the Director to develop skills in this area.

Profile 8

Type of business: micro
Industry: health services
Business area: occupational health business
Owner manager: 1 woman
Ethnicity: Anglo Australian
Employees: 3 contract workers
Location: Melbourne, Victoria
Operating: 9 years
Project involvement focus: the owner has plans to expand client base, diversify services, develop business plan and marketing strategies, develop managerial confidence.

Overview of Business

After working in the public hospital system, as an occupational therapist, Maeve, the owner manager decided to start her own home-based business which she has now been running for over 9 years. She runs courses on occupational health and safety, back care, conducts environmental assessment, individual casework and return to work rehabilitation. She has had predominantly two large national organisations as her client base with limited work from one other large organisation. These organisations have been undergoing large scale restructuring and she feels this is a vulnerable position and wants to expand her client base which she is currently attempting to do via marketing and networking.

Maeve began employing contract staff eighteen months to two years ago. She has had difficulty getting staff despite paying well above the award wage and until recently has had ongoing staffing problems with those she has employed. She put this down to several factors:

- that occupational therapists prefer to work in the public sector or large organisations
- that she is a small home-based firm which appears to not offer security
- that she employs her staff casually which may mean they see the position as a convenient stop-gap between jobs
- bad luck
- lack of managerial skills

Overview of workbased learning

Throughout the project much time was spent discussing management issues. A critical incident over the Christmas period brought Maeve to a cross road where she had to decide between going small again or learning new ways of managing her staff in order to maintain her business at its existing level. She turned the crisis into a learning opportunity and has developed very clear bottom lines. Her staff now know very clearly what is expected of them and she is prepared to let them go if they do not agree to it. She understands from experience that it is not good for her business and she knows the buck ultimately stops with her. She has a greater degree of separation between herself and her employees and an awareness that she must be the front person, the liaison person for her business.

She is currently very happy with her three contract staff which is freeing her up to develop and implement her marketing strategy - something which she hates and feels she is not very good at, but knows she must develop in order to expand her client base.

Maeve is developing computer literacy with plans to use e-mail in 1997. She has recently lost an account due to poor report writing skills of a contract worker. Within the context of enterprise development discussions Maeve is developing literacy awareness. Project officer

worked with Maeve on her own report writing and has provided material for passing on these skills to contract workers. Using predominantly phone and fax, Maeve has stayed in close contact with the project throughout an extremely tumultuous time of the business's life. Project involvement has assisted the owner manager in locating her experiences within a bigger picture and maintaining sight of long-term plans despite ongoing day to day difficulties.

As a relatively new employer manager, Maeve is persisting in developing communicative competencies required to fulfill her role as employer rather than downsizing to avoid staffing problems. She is currently in the process of employing an administrative assistant and working with a contract bookkeeper in order to upgrade and computerise her manual systems. She then plans to teach her new administrative assistant these skills.

Profile 9

Type of business: micro
Industry: printing industry
Business area: screen printing business
Owner manager: 1 man
Ethnicity: Anglo Australian
Employees: 12
Operating: 12 years
Project involvement focus: the owner manager plans continuous improvement of enterprise and further developing marketing strategies aimed at the year 2000.

Overview of Business

Brian has been in business for over 25 years making customised uniforms for clubs, schools and sports associations He successfully ran his first screen printing business of 16 years with his wife, sold it and retired for 2 years. In that 2 years he had a lot of time to think and research how he would ideally like to run a business. After being approached by a previous trusted employee and friend, Brian formed a new partnership again in the screen printing business and this time, using Michael Gerber's much vaunted phrase, he wanted to work on his business not in it. His first business had employed up to 30 people. His current business was purposely a much leaner operation to survive the nineties. Brian had an extensive and active business network. His business was the first in the industry to achieve quality assurance accreditation the aim of which was to streamline procedures, increase cost effectiveness and act as a marketing tool. Brian was hoping to be able reduce the ongoing outlay involved in conducting the audits. He had targeted marketing strategies in place and was also taking advantage of the 2000 Olympics in his current advertising and medium to long term plans.

He saw it as very important to think past 'now' and to have a vision of where he was heading. He said he was always doing some course or training and at the time, was learning to use the Internet which he was hoping to incorporate into his business over the next 12 months. Brian stated that his staff were his greatest asset and that he was in the business of growing people. He paid for both shop floor and office staff, to attend seminars, workshops and training programs. He believed that most learning in his business took place informally. Staff meetings were held informally on a needs be basis. He encouraged a 'family' atmosphere, staff feedback, input and initiative. It was however unclear the degree of decision making power held by the staff. Brian said he ultimately made the decisions but liked staff to feel they were involved.

Overview of workbased learning

At the first meeting, Brian said he would not employ anyone who could not read or write. He is still resistant to expanded concepts of literacy but has since realised an integral long-term member of his team has difficulty reading text outside of his immediate context which has challenged Brian's assumptions. In the context of discussions around enterprise development project officer capitalised on such opportunities to raise the owner manager's awareness of his place in improving communicative practice within his workplace rather than using a deficit model of literacy which positions a highly competent employee as having a skills gap.

When the project officer contacted Brian early in the New Year, he said he could no longer be involved in the project as he needed to spend more time in his business at this time. The project officers considered their involvement was of limited value to Brian as they had remained peripheral to the business rather than being able to work with Brian in his business.

Profile 10

Type of business: micro
Industry: retail, moving to retail and IT service provision
Business area: personalized children's books business moving on to new enterprises - worm farming and bookkeeping consultancy
Owner managers: 2 women , new enterprise - worms: 4 women and 1 man; constancy: 1 woman
Ethnicity: second generation Lebanese/Anglo Australian, new enterprise partners all Anglo Australian
Employees: 6, new enterprises none
Operating: 6 months, new enterprises - worms 9 months, consultancy 4 months

Overview of Business

Fifi and Robyn had been business partners for 8 years in a stock taking business they had built up from scratch. They had started small and grown into the business. Fifi was very much the front person who negotiated contracts, smoothed ruffled feathers and liaised with clients. The business was predominantly staffed by friends and family.

The personalised children's books was a very different scenario. Fifi and Robyn were experienced in the service industry but not in retail. Fifi purposely did not want to employ family because she felt this created extra management tensions. They did start off small with Fifi and Robyn working from home filling mail-order requests for about 4 to 5 months but then as Christmas drew near they took a giant leap without laying the groundwork as they had in their stocktaking business. They rented carts in 3 shopping centers at astronomical rents in the hope of big Christmas sales. Before turning to distribution, their suppliers had made huge profits over Christmas '92 doing one shopping center and doing the selling themselves. They had urged Fifi and Robyn to person the stalls themselves but neither Robyn and in particular Fifi wanted to do the selling.

The sales representatives with whom they negotiated fell through and they were not able to find experienced sales people to work on the stalls. The retail industry over Christmas '96 was a very different scenario to Christmas '92, however as crucial ingredients were missing in this business - experienced sales staff to person the shopping centers carts and an experienced motivated sales representative to approach community organisations with whom Fifi was negotiating to collaborate on fund raising activities.

Overview of workbased learning

The project officer assisted Fifi and Robyn to develop short-term selling and marketing strategies for Christmas. They had recently moved from a highly successful service based industry into retail and had underestimated the need for communication, planning and co-operation between themselves and staff. Fifi and Robyn were not moving past their conflicting approaches and were thereby unable to develop mutually agreeable strategies. Project officers also be assisted the owner managers to rework their mail-order form due to the number of ambiguities in the current form.

The business suffered severe losses over the Christmas period which resulted in reappraisal of the owner managers plans. Robyn got work outside of the business and the project provided room for Fifi to look at alternative possibilities open to her. A decision was made to wind down the existing business and move stock at reduced prices. Project officers worked with Fifi on deciding the most cost effective marketing strategies and assisted in writing marketing letters to existing clients.

Fifi worked with project officers as a participant/critical friend/consultant which facilitated her move into two developing businesses.

The worm farm co-operative is a new undertaking. They have been operating nine months with plans to maximise productivity through design, innovation and research application, and examine a range of marketing outlets.

Fifi has turned her partner's hobby into a small business and has formed a co-operative with her extended family who independently have small worm farms, to meet the harvesting requirements of their collection depot. Working with friends and family marks a return to the an earlier success strategy utilised by Fifi in her stocktaking business. Knowledge, resources, research and labour are being pooled to each participant's benefit. Fifi is the main instigator of innovation and research to maximise farming productivity.

Fifi is also planning a computer consultancy and bookkeeping business as a home based/mobile business with plans to consolidate teaching strategies, market customised computer courses and Mind Your Own Business (MYOB®) consultancy, build up bookkeeping clientele.

Fifi and Robyn are again working together in a service based industry where they are functioning very well as a team. They are starting small and following the formula they used so successfully when starting up the stocktaking business - they are advertising in the yellow pages as bookkeepers specialising in MYOB®, they are doing all the work themselves and laying the ground work for expansion.

Fifi is upgrading project officers computer skills and gaining uncensored feedback regarding content, hand-outs, teaching strategies and varying needs/wants of her potential clients.

PART B: Vignettes of small businesses involved in the research project.

Anecdotes, snippets & stories of small business workbased learning.

In this attachment we present a number of vignettes of workbased learning in small business. These stories demonstrate some of the different strategies used and examples of issues which emerged in response to the contextual learning needs of each business.

Case Study : relevance

Background: owner managers felt their needs were very specific to their workplaces.

Crystal (cleaning and garden maintenance business) talked about attending a certificate course in Small Business Management. As an already established small business owner manager, her priority was to discuss issues that were of immediate concern and specific to her business. When she raised this she was told it wasn't possible to focus on specifics, the course needed to be kept general.

Fifi (personalised books) attended a course on marketing strategies. The curriculum to be covered was such that there wasn't time for participants to relate the content to their own business and it was clear from the comments that this was the priority for the group who were predominantly from already established small businesses.

Case Study : building dialogue - a collaborative outcome

Background: Crystal (cleaning and garden maintenance business) had a high staff turnover.

Working with the individual culture and structure of the small business and the existing expertise of the owner manager involved a process of learning about that business. An initial step in this process was to begin developing dialogue. Building dialogue involved both parties asking questions, listening, reflecting, passing on stories and information. Out of this dialogue grew the 'curriculum' of the learning process. Employment relations were unstable, and this effected the productivity and viability of the business.

We talked about the problem from a number of different angles - what could be realistically changed? How could staff be recruited and kept, and what turnover of staff was realistic, given the nature of the business? Crystal believed some aspects of her staffing problems were to do with not having clearly written expectations.

Having defined an aspect of the problem, Crystal decided to create new documents for staff. Working from the existing document, we rewrote the terms of employment using the project officer's expertise in plain English and setting the tone of the document.

Crystal trialed the rewritten terms of employment with new staff and incorporated changes to any parts that seemed to be unclear. We then worked on documenting standard operating procedures for all staff positions. These were also trialed and feedback from staff was incorporated into the documents.

Case Study : small sustainable steps

Background: Maeve (occupational health) was physically, creatively and emotionally burnt out.

I phoned Maeve to find her in the middle of a severe staffing, management and business crisis. She was in the process of sacking two of her three contract staff who had betrayed her trust and confidence while she was away on holidays by opening her private mail, discussing her personal and financial details with clients and bad-mouthing her professional work in attempts to steal clients.

In previous conversations Maeve had mentioned the possibility of employing an administration assistant but had not done anything about it. After researching issues of staff loyalty in small business, I realised an administrative assistant could know the ins and outs of her business without posing a professional threat to the business, however she now felt snowed under and not up to taking anyone new on board.

I introduced Palmer's 'get your business fit' idea (Palmer: Field notes 1997:26) which meant committing a minimum amount of time, in Maeve's case, 1 hour per week to a planned business development activity. We needed something small and easy; she had wanted to clear her front room to create an office space in her house. This would give her more personal privacy, create space for the administrative assistant and was something achievable in a relatively short period of time. Once she started, she spent more than one hour on this task. Cleaning the room and creating a professional office allowed a slight breathing space which made room for further action to be taken. These achievable steps reduced Maeve's sense of overwhelm and enabled her to regain her sense of control and direction.

Maeve called me back a couple of weeks later feeling really happy with herself and she went on to impliment other workplace change strategies:

- advertising for a secretary/administrative assistant
- informal negotiations with trusted business acquaintance regarding position
- an appointment with a contract bookkeeper to assess and provide input to Maeve's manually kept books
- the bookkeeper will teach Maeve Mind Your Own Business (MYOB®)
- Maeve plans to pass on MYOB® to her new administrative assistant

Case study: Time to explore and process

Background: Fifi's business (personalised books) was rapidly losing money.

I was told by an experienced small business consultant I must convince Fifi to walk away from her business. I didn't, although I did feel nervous about not taking this direct approach and questioned what my responsibility was in this situation. Instead, for two hours Fifi and I explored her perspectives, alternative perspectives and possible solution strategies which moved Fifi beyond the paralysing personal failure framework she had become stuck in.

Although I did not know this at the time, Fifi told me a couple of days later, our meeting had allowed her to come to and sit with the realisation that she needed to let the business go. She could not verbalise this immediately but a relatively short period of time and respectful, purposeful dialogue had allowed her to draw her own conclusions and take action.

The exploration of her strengths and alternative perspectives opened the door slightly for Fifi which allowed her to separate herself and her business skills from her business at this one point in time. She realised that she hoped to always make her living from running a business regardless of what that business was. This was what she knew and what she wanted to do. She had lost this business - she had no doubt about that - but that was not the whole story. For Fifi this exploration began crystallising her identity as a small business person and also gave her room to move on.

She was already dabbling in new areas (worm-farming and a soon-to-be computer consultancy and bookkeeping business) which had few overheads and were showing signs of being much more lucrative enterprises. Through enquiry based discussions, Fifi herself was surprised to uncover how excited she was about the worms; the failure of the books had completely dominated her thoughts obscuring the fact that she had already fallen into starting up other businesses

Case study: Locating experience within the bigger picture

Background: Small business owner/managers are often isolated though long hours and tend to personalise common business experiences and dilemmas.

Fifi was surprised to hear the term "bushfires mentality" (Food Industry Training Council Inc W.A., 1994, p. 21). She had regularly used this image, seeing herself as putting out fires on a daily basis. She realised that at least some other small business owner/managers had similar experiences. She was able to locate her experience in a more general picture of small business. She could therefore begin to plan for these situations rather than seeing immediate demands arising as an indication of incompetence.

Case study: Nothing to do with my business

'If you would have said it was about literacy development at the beginning of the project I would have said, my business hasn't got anything to do with literacy'. (From an owner manager developing report writing, computer, and bookkeeping skills, current industry language to market her skills and managerial communicative competence).

At our very first meeting we had mentioned the word 'literacy', partly because we felt a necessity to name our area of expertise. Despite our giving expanded definitions of literacy, Brian perceived the literacy we had on offer in only the narrowest of school based definitions. He said he would not employ anyone who could not read and write and that it was not his job to teach them. We wished we'd never mentioned the word because it had pigeonholed us in his mind and in some respects set him in opposition to us. From then on we presented ourselves as action researchers willing to work with owner /managers on their areas of interest, knowing that language, literacy and numeracy development would occur would occur as part and parcel of this process.

Case study: Contact does not have to be face to face

A Melbourne based business successfully participated almost exclusively via phone and fax. This model is easily negotiated, highly flexible, and fits time constraints by utilising down time e.g. travel between jobs. Regular ten to sixty minute phone 'meetings' were highly productive and easier to schedule than face to face meetings with Sydney based businesses. This mode promoted contact which was 'short, sharp and specific' (Cooper's & Lybrand, 1994 p. 1.) and kept the project officer up to date in an extremely tumultuous time of the business's life to act as sounding board, process analyst and resource person.

Case study: Ambivalence in the managerial role

Background: Most of the owner/managers experience difficulty in managing their staff.

We had concluded that it was a hard slog being a small business person - long hours, staff setting up in competition, reeling from one crisis to the next, juggling many hats and being heavily impacted by external forces. Then along came Raymond (hair and beauty salon). He painted a completely different picture. He saw crises as opportunities to learn. Unlike some of the female owner managers we worked with, he felt no ambivalence in his role as manager.

One owner manager had told us she felt uncomfortable asking people to 'work harder to make money for me'. This presented no dilemma for Raymond. He always put the business first, his relationships with staff second. He had very clearly articulated expectations of his staff and was prepared to risk losing staff rather then compromise his standards, which he saw as 'set by the clients'.

This situation raised a number of questions. How do owner managers go about developing managerial competence? Is gender a significant factor? What happens when there are different roles overlapping e.g. in a family business?

Does ambivalence in this role give mixed messages to staff and clients?

Background - A crisis led Maeve to create her own bottom lines

In contrast to the participatory management style and sharing of knowledge now advocated in large organisations in order to become a learning organisation, Maeve does not allow her professional staff access to her office or client files. Her newly employed administrative assistant who does not pose a professional threat to Maeve's control of the business, is the only person allowed access. She spreads casework around so that no one employee has too much influence with any one customer and is now always the public face of her business.

Maeve had previously operated in a more participatory style but felt she was teaching employees how to set up their own business and take her customers. She felt an open participatory style put her business at risk.

Case study: Help or interference?

Background: Many owner managers in this project felt very cynical about government intervention and the interest of researchers in small business. Fifi asked 'Why is it called help? Why isn't it called interference?'

Participating owner managers consistently described themselves in opposition to bureaucracies. The saw themselves as having a lot of initiative, flexibility, being quick to take action, living with a lack of security and an attitude of 'the buck stops with me'. On the other hand they saw bureaucracies as instigators of red tape, impossible regulations and with a superior 'one right way of doing things' attitude.

'Help' provided by the VET sector or government may be called 'interference' depending on whose language is constructing reality and where you are standing. Language choices and interpretations which acknowledge the expertise of owner managers and the realities of small business life need to be considered carefully when working with small business so that the 'clash of cultures' between small business and government bodies may possibly be bridged or at least acknowledged.

Case study: The dilemma of training in small business

Staff training and development presented an uneasy but necessary juggle for a number of the participating owner managers where time and money was invested by the employer only to have staff regularly leave and in some cases take valued customers and valuable inside information with them.

Of most concern to participating owner managers was employees stealing customers and setting up in competition. Easily replicated businesses such as the cleaning and gardening business were most at risk. In a large organisation, employees can move up the ladder whereas in a micro small business, there may be nowhere for employees to go - except to set up in competition or look for alternative employment in an organisation that offers more prospects.

Evaluation by owner managers:

The owner managers involved in this project were asked to evaluate their involvement in workbased learning. The following are excerpts:

The sounding board role played by project officers was often acknowledged as an extremely helpful tool in business planning and development.

"As a new business we found the small business project to be helpful support. We are in a partnership and found that no-one is particularly interested in talking with us about the finer details of our operation. Friends and family either don't want to know or they are simply afraid that we will fail and insist on telling us so. We have already taken an enormous risk with our business and we have made mistakes along the way. However there is no turning back ... the project (provided an opportunity for someone

else) to listen to our plans and goals as much as our day to day procedures ... and to input into our training procedures."

Gina and Diana,
Mobile Coffee Catering Business.

"I have taken myself more seriously and really thought about what I've wanted and where I've wanted to head with the business. Always it's been this is happening, that's happening and now this is happening again. Its too much on your own. It's too much to deal with and it becomes overwhelming. There's always something happening. Involvement in the project gave me room to think and look ahead and plan."

Maeve,
Occupational Health Business.

Meetings did not have to occur on a face to face basis.

"I would like to make a few comments regarding my experience with the Small Business Research Project. There are two areas that I have found particularly helpful. The supportive role played in having a regular time to discuss matters concerning the running of my business. I have found because I have a mobile business the ease of talking on the phone a more flexible arrangement where I have not had to rearrange appointments. So the mobility of your services has been invaluable and the easy access to our phone discussions has helped me to prioritise the concerns I had for my business."

Project particicpant.

"I have also found that discussing matters on a weekly or fortnightly basis has helped me focus on and follow up on the running of my business and opportunities for developing new business ... Also to discuss the future of my business rather than just cope with the day to day running of the business ... . As far as any future changes to the way I have been functioning with this business goes I would like to continue a similar arrangement where I can meet or liaise regularly with a more experienced business person to assist me to maintain focus on business development."

Maeve,
Occupational Health Business.

Involvement in the project required a minimum time commitment. Even though time is an incredibly scarce resource, the owner/managers felt they gained from making the commitment

"Initially, I was dreading the thought of making a commitment to regular meetings - knowing my schedule was often hectic and subject to urgent interruptions - I wondered how I would be able to keep to this arrangement and give the project the attention it deserved. I soon came to look forward to these meetings, seeing them as times when I would be allowed, even encouraged, to talk about my business. (I had often felt like an indulgent parent who talks about their baby long after everyone's eyes have glazed over from boredom.)"

Fifi,
personalised books.

"Making commitment to a specific time with another person had been significant. All the books say to put aside one hour a week for important things you put off, but it is really hard on your own, something always comes up. Continuity was really important. Accessing information takes more time than I had and it was really useful for someone else to spend time chasing information."

Project participant.

"I'd like to continue working with another person this way and will contact a small business centre to see if it offers on-site consultations, specific to my needs."

Crystal,
cleaning and gardening
maintenance business.

Owner/managers want to focus on their specific businesses.

"It has been specific to my business and I worked on what I identified as priorities - this has been crucial."

Crystal,
cleaning and gardening business.

"The fact that this project did not offer packaged solutions was what interested me the most. The project officers asked what was needed, rather than trying to tell me what was best for my business. I really enjoyed being listened to and treated with respect. My business had followed none of the accepted models for success, yet by many standards, I was successful. I appreciated hearing that this was not a fluke, that I obviously had a flair for this sort of thing!"

Fifi,
personalised books.

"Each workplace is different and one has to access the particular context" (Sefton, Waterhouse, & Deakon. 1994. p. 291) in order for the learning to be contextualised and so real, relevant and hence meaningful. If training is generic, the definition of what is to be worked on and learned and how has already been established. Yet this may bear no relation to the learning needs of an owner manager at this particular point in time. This is not a need specific to small business but a general learning principle, "Learners want to discover how to do specific things at particular times", and this is not necessarily in the order that topics & issues are covered in a set program or manual.

(Field & Ford. 1995, p. 104).

"Why train people when they're only going to leave?"

(Audience member from the hospitality industry at a Small Business function.)

"I can think of one thing worse - you don't train them and they stay with you!"

(Max Hitchins, 1997.)

Collins et al (1997) write of the "uneasy relationship between bosses and workers in small business" (p. xxvi), where bosses are reluctant to train because they fear employees will use the training to get a better job. This fear had some grounds. Upon being questioned, interviewees for the 'Training for Ethnic Small Business' project stated they did in fact want training to improve external employment prospects. (ibid, p xxvi). Collins (ibid, xxvi) also points out that employees cannot be expected to jeopardize their own careers and make commitments to their employer when the owner manager often cannot offer secure long term employment due to the volatile nature of the small business.

Attachment 2

Women and mentoring

The Women in Business Mentoring Program is funded by the NSW Government through State and Regional Development NSW. The emphasis in this project is on people learning from each other and sharing knowledge and experiences. To achieve this, the Program links newer women owner managers of small to medium enterprises with experienced women business owners in non-competing areas who take on a 'sounding board' role.

Attachment 3

State and Regional Development, NSW

Each state has different approaches to state and regional development, and this does not include National programs, funded by the Commonwealth.

In NSW, The Regional Development Group (RDG) promotes economic development of regional NSW through a network of 18 regional offices, 13 Regional Development Boards, and a small head office team in Sydney.

RDG offers a diversity of services and programs, including:

- NSW Private Sector Investment Facilitation
- NSW Regional Development Scheme
- NSW Resources for Regional Development
- NSW Regional Community Economic Development Programs
- Regional Development through Partnerships and Networks.

For further information, contact

Director

Regional Development

Sate and Regional Development NSW

Level 43, Grosvenor Place,

225 George Street,

Sydney, NSW 2000.

Phone (02) 9242 6719

Fax (02) 9242 6726

Internet: http:www.srd.nsw.gov.au

Attachment 4

A tool box for understanding Learning Cycles

Orientation, Consolidation, Review.

1. Orientation

- to small business sector
- to each participating small business
- to each problem
- to new ways of working as VET educators
- to other VET projects, products and services
- to research and development
- to local and regional networks

2. Consolidation

- of project partner relationships
- of knowledge and expertise about small business
- of knowledge and expertise as VET process managers rather than VET teachers
- of local and regional connections
- of documentation and quality assurance
- of adjusting to small business rhythms and work patterns
- of role diversification
- of 'bigger picture' strategies

3. Review

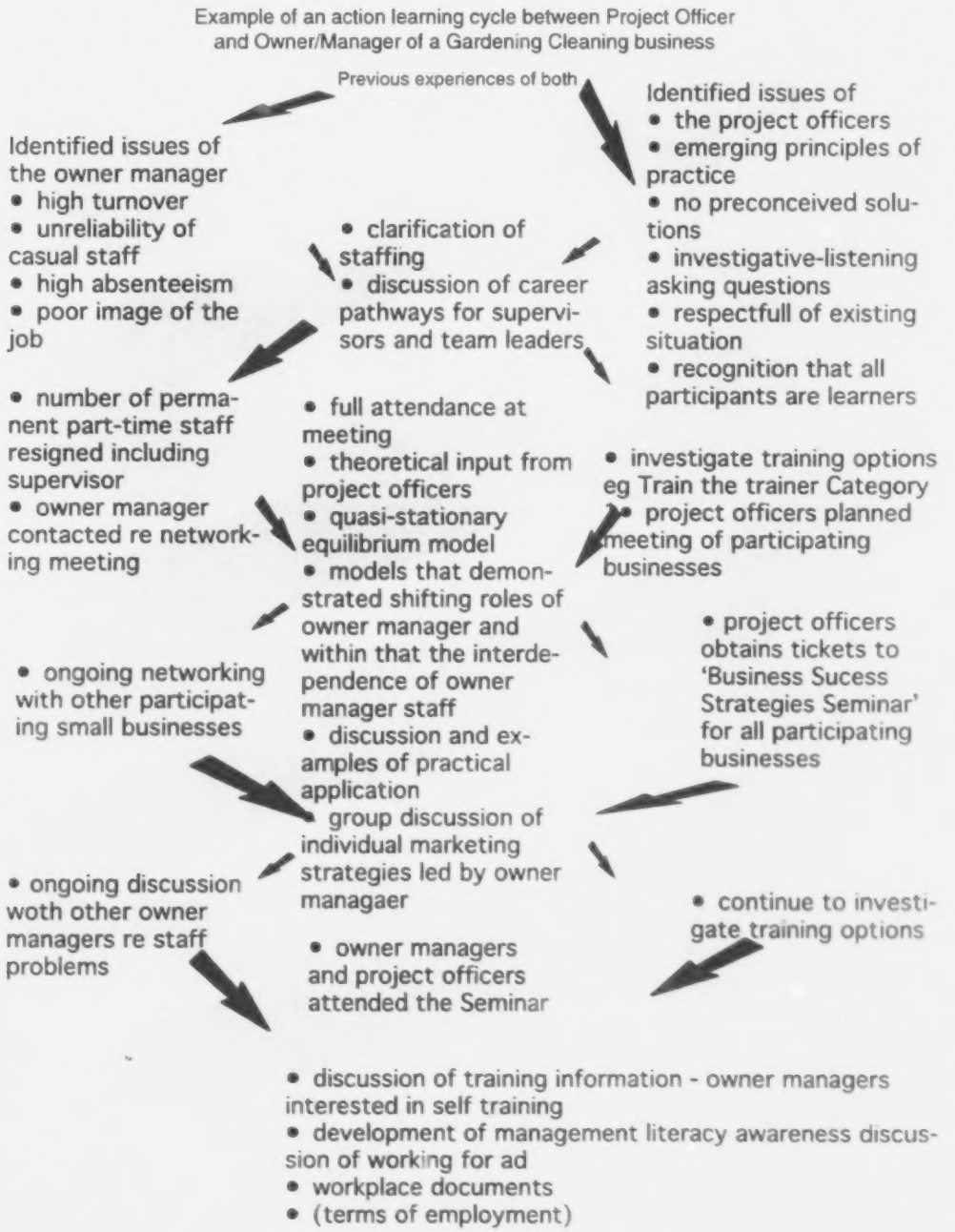
- of efficacy of learning process (overall, and as it relates to each enterprise)
- of role identification and diversification
- of relevance
- of global developments
- of change processes (internal to VET and internal to small businesses)

Carried out by:

- critical friends (including owner managers)
- colleagues
- local and regional bodies
- VET sector bodies
- industry bodies (where relevant)

Figure 5: An Example of a learning cycle using research methodolgical analysis.

Practical application of the process is demonstated in one action learning cycle between project officer and owner/manager of cleaning gardening business , showing the intersection between the project officer and the small busienss, as well as the learning/action process that lie outside the intersection.


Example of an action learning cycle between Project Officer and Owner/Manager of a Gardening Cleaning business
Previous experiences of both
Identified issues of the owner manager
• high turnover
• unreliability of casual staff
• high absenteeism
• poor image of the job
Identified issues of
• the project officers
• emerging principles of practice
• no preconceived solutions
• investigative-listening asking questions
• respectfull of existing situation
• recognition that all participants are learners
• clarification of staffing
• discussion of career pathways for supervisors and team leaders
• number of permanent part-time staff resigned including supervisor
• owner manager contacted re networking meeting
• full attendance at meeting
• theoretical input from project officers
• quasi-stationary equilibrium model
• models that demonstrated shifting roles of owner manager and within that the interdependence of owner manager staff
• discussion and examples of practical application
• group discussion of individual marketing strategies led by owner managaer
• investigate training options eg Train the trainer Category
• project officers planned meeting of participating businesses
• project officers obtains tickets to 'Business Sucess Strategies Seminar' for all participating businesses
• ongoing networking with other participating small businesses
• ongoing discussion woth other owner managers re staff problems
• owner managers and project officers attended the Seminar
• continue to investigate training options
• discussion of training information - owner managers interested in self training
• development of management literacy awareness discussion of working for ad
• workplace documents
• (terms of employment)

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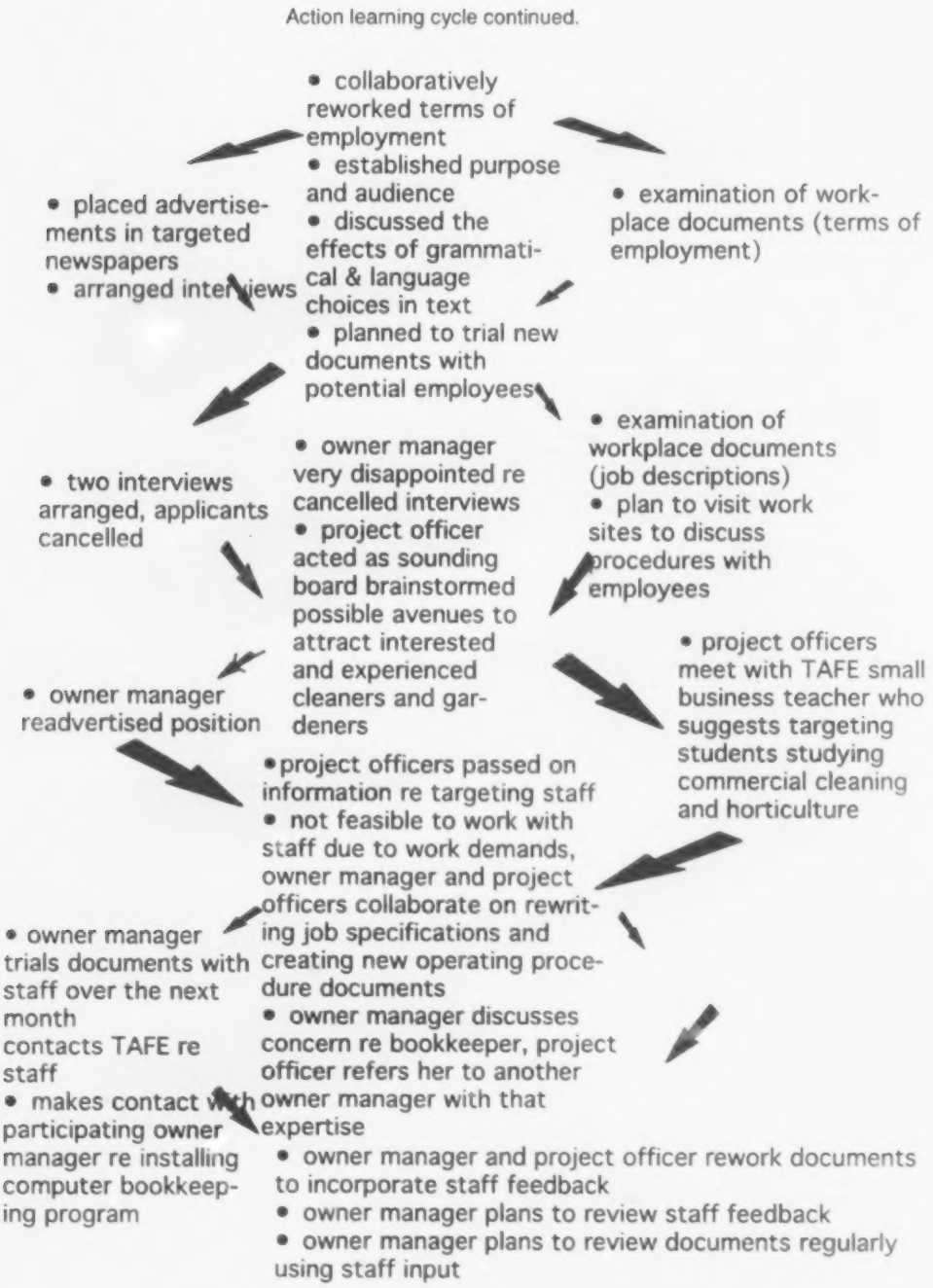
Continuation, showing the intersection between the project officer and the small business, as well as the learning/action process that lie outside the intersection.


Action learning cycle continued.
• collaboratively reworked terms of employment
• established purpose and audience
• discussed the effects of grammatical & language choices in text
• planned to trial new documents with potential employees
• placed advertisements in targeted newspapers
• arranged interviews
• examination of workplace documents (terms of employment)
• owner manager very disappointed re cancelled interviews
• project officer acted as sounding board brainstormed possible avenues to attract interested and experienced cleaners and gardeners
• two interviews arranged, applicants cancelled
• examination of workplace documents (job descriptions)
• plan to visit work sites to discuss procedures with employees
• owner manager readvertised position
• project officers meet with TAFE small business teacher who suggests targeting students studying commercial cleaning and horticulture
• project officers passed on information re targeting staff
• not feasible to work with staff due to work demands, owner manager and project officers collaborate on rewriting job specifications and creating new operating procedure documents
• owner manager discusses concern re bookkeeper, project officer refers her to another owner manager with that expertise
• owner manager trials documents with staff over the next month
contacts TAFE re staff
• makes contact with participating owner manager re installing computer bookkeeping program
• owner manager and project officer rework documents to incorporate staff feedback
• owner manager plans to review staff feedback
• owner manager plans to review documents regularly using staff input

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Attachment 5

Overhead transparency templates[1]

OHP 1

Understanding Micro and Small to Medium Enterprises

- **Micro and Small to medium enterprises are different to large enterprises.**
- **Management and marketing orthodoxy are flawed in M & SMEs.** (Carson 1997)
- **Education and training curriculum are *not significant elements* in M & SME enterprise well-being** (Hall 1997)
- **Managed workbased learning in M & SMEs must be context focussed, create communities of interest and be based on community and regional development models.**

1 Childs and Wagner 1997

Understanding Micro and Small to Medium Enterprises

- 80% of businesses in Australia are small businesses
- 90% of these businesses employ fewer that 10 people, are family run, employ a large proportion of part-time employees
- generally, small businesses are price takers rather than price makers
- 32% of small businesses face financial failure during their first year
- the number of 'own account' workers is increasing
- small businesses are different to large businesses in important ways.

The Small Business VET provider:

- **uses different concepts, models and strategies to a large business VET provider**
- **acts as a process manager rather than a trainer**
- **strategically interprets national standards, using *relevance* and *equivalence* as key benchmarks**
- **recognises that enterprise development occurs within as a consequence of complex factors, including community and regional development**

The Small Business VET provider:

- **works with process not product**
- **adopts workbased learning not work-based training**
- **defines 'work' as curriculum**
- **sees learning as a social process**
- **understands pooled and organisational competence[1] as a central *concept* of enterprise well-being**
- **sees individual competence as an *outcome* of enterprise well-being.**

Key Principles

1. define small business work as curriculum

2. see all participants as learners who mutually benefit from pooling competence and resources

3. learn from past research and build on it

4. manage contradictions

Key Principles

1. look for and build on what is working

2. work collaboratively towards problem definition and action

3. aim for sustainable workbased learning

4. draw on as many frameworks as possible in finding solutions

Key Issues

1. Project Officer Competence

- **ambiguity tolerance**
- **role flexibility**
- **an ability to define 'work' as curriculum**
- **adaptability**
- **research and development skills**

Key Issues (continued)

2. Clash of cultures and expectations

3. Using advisory bodies

4. Documentation and quality assurance

5. Funding issues

6. Small business as organisations that learn

7. Government 'interference'.

OHP 8

Key Strategies

1. use a client centred approach

2. establish partnerships and shared management

3. be relevant

4. make regional connections

5. make local connections

6. work within known networks first

Key Strategies (continued)

7. negotiate meaning

8. manage workbased learning

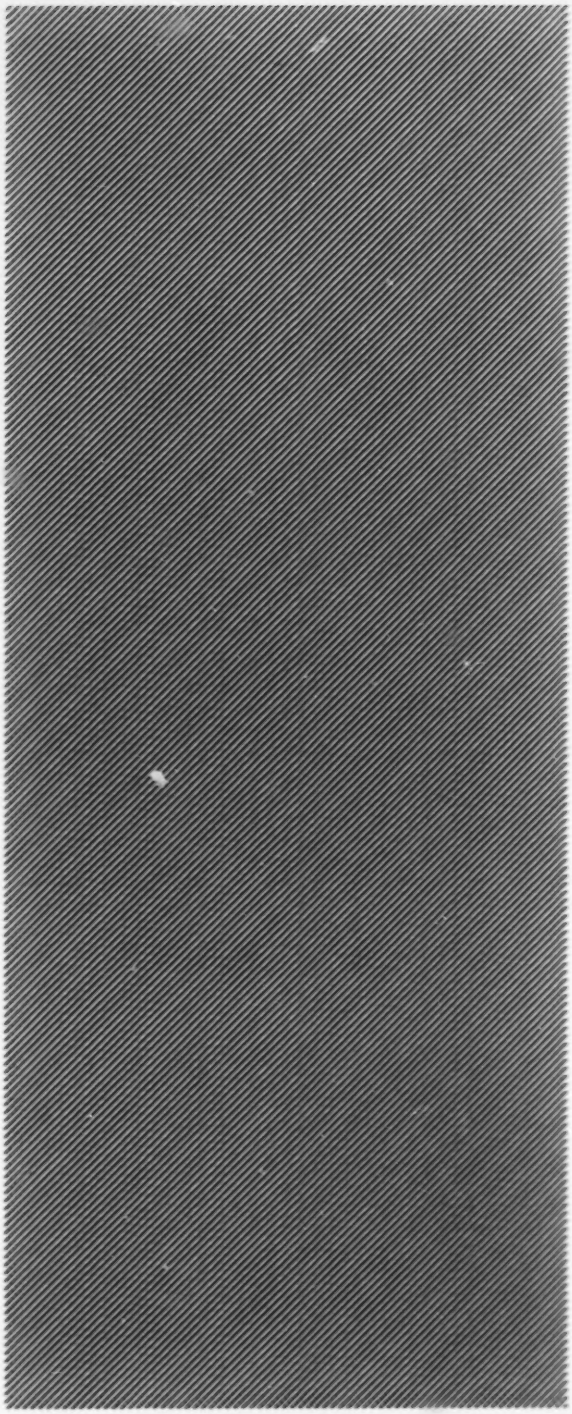
9. build on existing contexts and immediate problems

10. where possible, work on-the-job

11. provide cross fertilisation, brokerage, and create communities of interest

12. anticipate that most learning will occur when you are not there

13. see time as a resource rather than a cost



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